

NEW ISSUE - BOOK ENTRY ONLY
BANK QUALIFIED

RATINGS:
Moody's: "A2"
(Underlying)
S&P: "AA"
(Insured)
(See "MISCELLANEOUS – Ratings" herein)

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Series 2026 Bonds (including any original issue discount properly allocable to a holder of the Series 2026 Bonds) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See "LEGAL MATTERS – Tax Exemption."

\$8,165,000*

Eatonton-Putnam Water and Sewer Authority (Georgia)
Revenue Bonds, Series 2026

Dated: Date of Issuance

Due: November 1, as shown on the inside cover

The Eatonton-Putnam Water and Sewer Authority, a public body corporate and politic of the State of Georgia (the "Authority"), is issuing its Revenue Bonds, Series 2026 (the "Series 2026 Bonds") in fully registered form and in denominations of \$5,000, or any integral thereof, for the purpose of (a) financing the acquisition and construction of improvements, betterments, and extensions of the System (as defined herein), (b) paying the premium for a debt service reserve surety bond to be issued by Build America Mutual Assurance Company ("BAM") and the premium for a municipal bond insurance policy (the "Policy") to be issued by BAM and (c) paying the costs of issuing the Series 2026 Bonds. See "PLAN OF FINANCING."

The Series 2026 Bonds are special limited obligations of the Authority secured by and payable solely from a first lien on and pledge of the Net Revenues (as defined herein) of the System and will be issued on a parity as to lien on the Net Revenues with the Series 2017 Bonds (as herein defined) currently outstanding in the amount of \$9,280,000. The Authority has also reserved the right to issue Additional Bonds (as defined herein). If such Additional Bonds are issued, they will be secured by a first lien on and pledge of the Net Revenues of the System on a parity with the lien thereon securing the Series 2017 Bonds and the Series 2026 Bonds. The Series 2026 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority. The Authority has no taxing power.

THE SERIES 2026 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF PUTNAM COUNTY (THE "COUNTY") OR THE CITY OF EATONTON (THE "CITY"). NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION THEREOF, INCLUDING THE COUNTY AND THE CITY, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2026 BONDS. See "THE SERIES 2026 BONDS – Security and Sources of Payment of the Series 2026 Bonds."

The scheduled payment of principal of and interest on the Series 2026 Bonds when due will be guaranteed under the Policy to be issued concurrently with the delivery of the Series 2026 Bonds by BAM. See BOND INSURANCE" and APPENDIX E.



Interest on the Series 2026 Bonds is payable semiannually on May 1 and November 1 of each year (each such date, an "Interest Payment Date"), commencing May 1, 2027, by Regions Bank, as Paying Agent, to the owners thereof as shown on the registration books maintained by Regions Bank, as Bond Registrar. The Series 2026 Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See "THE SERIES 2026 BONDS – Description."

The Series 2026 Bonds will be issued in book-entry form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (the "Securities Depository"). The Securities Depository will act as securities depository for the Series 2026 Bonds. Purchases will be made only through the Participants (as defined herein) in the Securities Depository, and no physical delivery of the Series 2026 Bonds will be made to Beneficial Owners (as defined herein). Payment of principal of and interest on the Series 2026 Bonds will be made to Beneficial Owners by the Securities Depository through its Participants. Registrations of transfers and exchanges shall be made in accordance with the rules of the Securities Depository. See "THE SERIES 2026 BONDS – Book-Entry System of Registration."

The Series 2026 Bonds are subject to redemption prior to maturity, as more fully described herein. See "THE SERIES 2026 BONDS – Redemption."

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2026 Bonds are offered when, as and if issued and accepted by Raymond James & Associates, Inc., subject to prior sale, to withdrawal or modification of the offer without notice, and subject to approval of legality by Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its counsel, MaddoxNix. The Series 2026 Bonds are expected to be delivered through DTC in New York, New York, on or about _____, 2026.

RAYMOND JAMES®

Dated: _____, 2026

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2026 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Maturity (November 1)*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> ⁽¹⁾
2034	\$ 45,000			
2035	60,000			
2036	60,000			
2037	65,000			
2038	70,000			
2039	70,000			
2040	75,000			
2041	80,000			
2042	85,000			
2043	145,000			
2044	300,000			
2045	320,000			
2046	335,000			
2047	365,000			
2048	1,000,000			
2049	1,050,000			
2050	1,100,000			
2051	1,155,000			
2052	1,215,000			
2053	1,275,000			
2054	1,340,000			
2055	1,405,000			
2056	1,475,000			

\$ _____, _____% Term Bond due _____ 1, _____, Yield _____%, CUSIP _____

* Preliminary, subject to change.

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein have been provided by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2026 CUSIP Global Services. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and neither the City, the Authority, the Underwriter nor their respective agents take responsibility for the accuracy of such data.

^c Yield calculated to _____ call date.

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No dealer, broker, salesman or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement in connection with the offering contained herein, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been obtained from representatives of the Authority, public documents, records and other sources considered to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. In making an investment decision, investors must rely on their own examination of the Authority and the terms of the offering, including the merits and risks involved.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2026 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES AGENCY. THE SERIES 2026 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2026 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Series 2026 Bonds or the advisability of investing in the Series 2026 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "Exhibit E – Specimen Municipal Bond Insurance Policy."

This Preliminary Official Statement has been deemed final by the Authority for purposes of U.S. Securities and Exchange Commission Rule 15c2-12, except for permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

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\$8,165,000*
Eatonton-Putnam Water and Sewer Authority (Georgia)
Revenue Bonds,
Series 2026

INTRODUCTION

General

This Official Statement sets forth certain information concerning the Eatonton-Putnam Water and Sewer Authority (the “Authority”) and its water and sewerage system (the “System”) in connection with the issuance of the Authority’s Revenue Bonds, Series 2026 (the “Series 2026 Bonds”). Capitalized terms used but not defined herein shall have the meanings assigned to them in APPENDIX C.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Series 2026 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or otherwise to use it without the entire Official Statement.

The Authority

The Authority is a public body corporate and politic of the State of Georgia (the “State”) and was created pursuant to the Eatonton-Putnam Water and Sewer Authority Act (2005 Ga. L. 4091, *et seq.*, as amended) (“Act”). The Authority owns and operates the System. The Authority provides water and sewer service to the incorporated area within the City of Eatonton, Georgia (the “City”) and water service to certain areas of unincorporated Putnam County, Georgia (the “County”). See “THE AUTHORITY” and see “THE CITY AND THE COUNTY.”

Purpose of the Series 2026 Bonds

The proceeds derived from the sale of the Series 2026 Bonds will be used by the City for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements to the System (the “Series 2026 Project”), (b) paying the premium for a debt service reserve surety bond to be issued by Build America Mutual Assurance Company (“BAM”) and the premium for a municipal bond insurance policy (the “Policy”) to be issued by BAM, and (c) paying the costs of issuing the Series 2026 Bonds. See “PLAN OF FINANCING.”

Series 2026 Project

The Authority plans to acquire, construct, and equip certain additions, extensions and improvements to the System identified in the Engineering Report of ESG Engineering, LLC relating to the Series 2026 Project, a copy of which is attached hereto as Appendix F (the “Series 2026 Engineering Report”); provided, however, the Authority reserves the right to modify the project as shall be necessary or desirable. See “PLAN OF FINANCING-The Series 2026 Project.”

Security and Sources of Payment

The Series 2026 Bonds are special limited obligations of the Authority and are secured by and payable solely from a first lien on the Net Revenues, on a parity with the lien thereon securing the Series 2017 Bonds (hereinafter defined) and any Additional Bonds that may hereafter be issued pursuant to the Resolution (collectively the “Bonds”) provided certain conditions are satisfied as more fully described herein. All such conditions have been or will be satisfied with respect to the Series 2026 Bonds prior to the issuance of the Series 2026 Bonds. The Series

2026 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority. The Authority has no taxing power.

THE SERIES 2026 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY OR THE CITY. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION THEREOF, INCLUDING THE COUNTY AND THE CITY, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2026 BONDS.

Concurrently with the issuance of the Series 2026 Bonds, BAM will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

The Series 2026 Bonds will also be secured by a debt service reserve subaccount (the “Series 2026 Reserve Subaccount”). The Series 2026 Reserve Subaccount will be fully funded upon the issuance of the Series 2026 Bonds, with the Series 2026 Debt Service Reserve Surety Bond to be issued by BAM. The Series 2026 Reserve Subaccount will secure only the Series 2026 Bonds and will not secure the payment of principal of and interest on the Series 2017 Bonds, or any Additional Bonds hereafter issued. The Authority is permitted, but is not required, to establish a separate reserve subaccount for each such series of Additional Bonds.

For more complete information see “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2026 BONDS,” “BOND INSURANCE” APPENDIX C and APPENDIX E.

The Series 2017 Bonds

Pursuant to the Original Resolution, the Authority has previously issued its Water and Sewer Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), which are currently outstanding in the aggregate principal amount of \$9,280,000.

Description of the Series 2026 Bonds

Redemption. The Series 2026 Bonds are subject to redemption prior to maturity, as more fully described herein. See “THE SERIES 2026 BONDS – Redemption.”

Authorized Denominations. The Series 2026 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Payments. Interest on the Series 2026 Bonds will be payable on May 1 and November 1 of each year, commencing May 1, 2027 (each an “Interest Payment Date”). Principal of the Series 2026 Bonds will be payable at the times and in the amounts shown on the inside cover of this Official Statement. See “THE SERIES 2026 BONDS – Description.”

Book-Entry Series 2026 Bonds. The Series 2026 Bonds will be issued in book-entry form (“Book-Entry Form”) and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC” or the “Securities Depository”). The Securities Depository will act as securities depository for the Series 2026 Bonds. Purchases will be made only through the Participants (hereinafter defined) in the Securities Depository, and no physical delivery of the Series 2026 Bonds will be made to Beneficial Owners (hereinafter defined). Payment of principal of and interest on the Series 2026 Bonds will be made to Beneficial Owners by the Securities Depository through its Participants. Registrations of transfers and exchanges shall be made in accordance with the rules of the Securities Depository. See “THE SERIES 2026 BONDS – Book-Entry System of Registration.”

Registration, Transfers and Exchanges. The Series 2026 Bonds will be issued in fully registered form. As long as the Series 2026 Bonds are held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with the rules of the Securities Depository. If the Series 2026 Bonds are no longer held in Book-Entry Form, the Series 2026 Bonds may be registered as transferred and exchanged in accordance with the terms of the Resolution (hereinafter defined). See “THE SERIES 2026 BONDS – Registration; Transfers and Exchanges.”

For a more complete description of the Series 2026 Bonds, see “THE SERIES 2026 BONDS” and APPENDIX C.

Tax Exemption

In the opinion of Bond Counsel, subject to the limitations and conditions described herein, interest on the Series 2026 Bonds (including any original issue discount properly allocable to a holder of the Series 2026 Bonds) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See “LEGAL MATTERS – Tax Exemption” herein and see APPENDIX B hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2026 Bonds.

Professionals Involved in the Offering

Certain legal matters pertaining to the Authority and its authorization and issuance of the Series 2026 Bonds are subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the Authority. Copies of such opinion will be available at the time of delivery of the Series 2026 Bonds, and a copy of the proposed form of such opinion is attached hereto as APPENDIX B. Certain legal matters will be passed on for the Authority by its counsel, MaddoxNix.

The basic financial statements of the Authority as of December 31, 2025, and for the year then ended, attached hereto as part of APPENDIX A, have been audited by McNair, McLemore, Middlebrooks & Co., LLC, independent certified public accountants, to the extent and for the period indicated in their report thereon which appears in APPENDIX A hereto. See “MISCELLANEOUS – Independent Certified Public Accountants” herein.

The Series 2026 Engineering Report attached hereto as Appendix F has been prepared by ESG Engineering, LLC (the “Engineers”). See “MISCELLANEOUS – Engineers.”

Bond Registrar, Paying Agent, Custodian, and Depository

Regions Bank, Atlanta, Georgia will act as Bond Registrar and as Paying Agent and as Sinking Fund Custodian for the Series 2026 Bonds. The address of the principal corporate trust office of the Paying Agent in Georgia is 1180 West Peachtree Street, Suite 1200, Atlanta, Georgia 30309. Farmers and Merchants Bank, Eatonton, Georgia will act as Revenue Fund Depository and Renewal and Extension Fund Depository.

Legal Authority

The Series 2026 Bonds are to be issued pursuant to the Constitution of the State of Georgia and the laws of the State of Georgia, including particularly the Revenue Bond Law (O.C.G.A. Section 36-82-60 *et seq.*, as amended (the “Revenue Bond Law”) and the Act. The Series 2026 Bonds will be issued under and secured pursuant to the terms and conditions of a resolution adopted by the Authority on July 11, 2017 (the “Original Resolution”) and a parity bond resolution adopted by the Authority on January 21, 2026 as supplemented on _____, 2026 (together with the Original Resolution, the “Resolution”).

Offering and Delivery of the Series 2026 Bonds

The Series 2026 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale and subject to withdrawal or modification of the offer without notice. The Series 2026 Bonds in definitive form are expected to be delivered through DTC in New York, New York, on or about _____, 2026.

Continuing Disclosure

The Authority has covenanted for the benefit of the owners of the Series 2026 Bonds in a Continuing Disclosure Certificate (the “Disclosure Certificate”) to provide (a) certain financial information and operating data relating to the System (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) and (b) notices of the occurrence of certain events within 10 business days of their occurrence (the “Events Notices”) to EMMA. The City’s undertaking to provide Operating and Financial Data and Events Notices is described in the Continuing Disclosure Certificate, a form of which is attached as APPENDIX D hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

The Authority previously executed a continuing disclosure certificate in connection with the Series 2017 Bonds (the “Prior Disclosure Certificate”), pursuant to which the Authority agreed to provide (a) certain financial information and operating data annually to EMMA and (b) notices of the occurrence of certain events within 10 business days of their occurrence to EMMA. The Authority failed to file this information in connection with the Prior Disclosure Certificate for the fiscal years 2019-2023. On April 11, 2025, the Authority filed (a) a Notice of Failure to File for fiscal years ended 2019 through 2023, and (b) its audited financial statements and the information required by the Prior Disclosure Certificate for fiscal years ended 2019 through 2023. Additionally, due to a clerical misunderstanding, the “Largest Customers” table included for fiscal years 2019-2024 only included wastewater customers, rather than the largest System customers. Following the transition to a new software platform in 2024, the largest System customer information is no longer available. On September 30, 2026, the Authority filed a Notice of Failure to File but did not update the incomplete tables as the information was unavailable. The “Largest Customer” table was corrected in the fiscal year 2025 Annual Report.

To ensure future compliance, the Authority has retained the services of Raymond James & Associates, Inc. to assist with the preparation and filing of the reports required by the Prior Disclosure Certificate.

Other Information

The information contained in this Official Statement does not purport to be comprehensive or definitive. All references herein to, or summaries of, the Resolution, the Series 2026 Bonds or any other document are qualified in their entirety by reference to the definitive forms thereof and the provisions with respect thereto included in the Resolution, the Series 2026 Bonds or such other document. Copies of the Resolution, the Disclosure Certificate, and other documents and information are available, upon request and upon payment to the Authority of a charge for copying, mailing, and handling, from Eatonton-Putnam Water and Sewer Authority, 663 Godfrey Road, Eatonton, Georgia, 31024, telephone (706) 485-5252. During the period of the offering of the Series 2026 Bonds copies of the documents are available, upon request and payment to the Underwriter of a charge for copying, mailing and handling, from Raymond James & Associates, Inc., Two Buckhead Plaza, 3050 Peachtree Road, Suite 702, Atlanta, Georgia 30305, telephone: (404) 240-6854.

THE SERIES 2026 BONDS

Description

The Series 2026 Bonds will be dated as of their date of issuance and will bear interest at the rates specified on the inside cover of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after the fifteenth day of the calendar month preceding each Interest Payment Date (the

“Record Date”) but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of issuance). Interest will be payable semiannually on each Interest Payment Date, commencing May 1, 2027. The principal amount of the Series 2026 Bonds is payable at the times and in the amounts set forth on the inside cover page of this Official Statement. Both the principal of and interest on the Series 2026 Bonds shall be payable in lawful money of the United States of America.

The Series 2026 Bonds shall initially be issued in Book-Entry Form. When in Book-Entry Form, payment of the principal of and interest on the Series 2026 Bonds will be made by the Paying Agent directly to the Securities Depository and will subsequently be disbursed to Participants and thereafter to Beneficial Owners of the Series 2026 Bonds. See “ – Book-Entry System of Registration.” If the Series 2026 Bonds are no longer held in Book-Entry Form, the principal of and interest on the Series 2026 Bonds shall be payable in accordance with the terms of the Resolution.

The Series 2026 Bonds will be issued in fully registered form. As long as the Series 2026 Bonds are held in Book-Entry Form, registrations of transfers and exchanges will be made in accordance with the rules of the Securities Depository. See “ – Book-Entry System of Registration.” If the Series 2026 Bonds are no longer held in Book-Entry Form, the Series 2026 Bonds may be registered as transferred and exchanged in accordance with the terms of the Resolution.

Book-Entry System of Registration

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered Series 2026 Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2026 Bond certificate will be issued for each maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the “Direct Participants, the “Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of Series 2026 Bonds (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial

Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026 Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2026 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2026 Bonds will be printed and delivered to DTC.

NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH

RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) SENDING TRANSACTION STATEMENTS; (B) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (C) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON SERIES 2026 BONDS; (D) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF SERIES 2026 BONDS; (E) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SERIES 2026 BONDS; OR (F) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF SERIES 2026 BONDS.

Redemption*

Optional Redemption. The Series 2026 Bonds maturing on and after November 1, ____ may be redeemed, at the option of the Authority, in whole or in part at any time on or after November 1, ____ at a redemption price of 100% of par, plus accrued interest.

Mandatory Sinking Fund Redemption. The Series 2026 Bonds maturing on November 1, ____ are subject to mandatory sinking fund redemption prior to their maturity at a redemption price equal to 100% of the principal amount thereof being redeemed, plus accrued interest, on November 1 of the following years and in the following amounts (the November 1, ____ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
-------------	---------------

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date, the Authority may deliver to the Paying Agent for cancellation Series 2026 Bonds of the appropriate maturity in any aggregate principal amount desired. Each Series 2026 Bond so delivered shall be credited by the Paying Agent at 100% of the principal amount thereof on the obligation of the Authority on such mandatory sinking fund redemption date and any excess shall be credited on future mandatory sinking fund redemption obligations in such order as may be specified by the Authority, and the principal amount of such Series 2026 Bonds to be redeemed shall be accordingly reduced.

Partial Redemption. If the Series 2026 Bonds are called in part, they may be called in any order of their maturities as determined by the Authority. If less than a full maturity is called, the Series 2026 Bonds to be called will be determined by (a) the procedures of the Securities Depository when the Series 2026 Bonds are held in Book-Entry Form and (b) lot or in such other manner as may be designated by the Bond Registrar when the Series 2026 Bonds are not held in Book-Entry Form.

Notice. Notice of redemption shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2026 Bonds are held in Book-Entry Form and (b) by first class mail, postage to all registered owners of the Series 2026

Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice. Any defect in such notice shall not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series Bonds so designated for redemption after the redemption date. Notice given in the manner set forth above shall be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent moneys sufficient to redeem all Series 2026 Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2026 BONDS

General

The Series 2026 Bonds are limited obligations of the Authority and are payable from and secured by a first lien on and pledge of the Net Revenues of the System. Upon the issuance of the Series 2026 Bonds, the Series 2026 Bonds and the Series 2017 Bonds will be the only obligations secured by a first lien on the Net Revenues of the System. The Series 2026 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority. The Authority has no taxing power.

THE SERIES 2026 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION, OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY OR THE CITY. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION THEREOF, INCLUDING THE COUNTY AND THE CITY, IS OBLIGATED TO LEVY ANY TAX FOR THE PAYMENT OF THE SERIES 2026 BONDS.

Flow of Funds

Funds and Accounts. The following funds and accounts have been created in the Resolution: the Construction Fund, the Revenue Fund, the Sinking Fund and the Renewal and Extension Fund. The Sinking Fund consists of two accounts: the "Debt Service Account" and the "Reserve Account." The "Series 2026 Reserve Subaccount" has been created within the Reserve Account.

Flow of Funds. All revenues arising from the operation of the System will be collected by the Authority or by its agents or employees and deposited promptly into the Revenue Fund. The Authority will pay from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization.

The Net Revenues remaining in the Revenue Fund after the payment of such operating expenses have been pledged by the Authority first as security for any outstanding Bonds issued under the provisions of the Resolution and any amounts payable to the provider of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility and certain costs and reimbursement amounts due to BAM pursuant to the Policy as set forth in the Resolution.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of the preceding paragraphs, there shall be paid into the Debt Service Account for the purpose of paying the principal of and interest on the Bonds as the same become due and payable in the then current Sinking Fund Year, and taking into consideration moneys deposited in the Debt Service Account to be used to pay debt service, (A) on or before the 20th day of each month, and from month to month thereafter, substantially equal monthly installments sufficient to pay the interest on the Bonds coming due on the next Interest Payment Date, as the case may be and (B) on or before the 20th day of each month, and from month to month thereafter, substantially

equal monthly installments sufficient to pay the principal of the Bonds coming due on the next November 1, such aggregate monthly payments to continue from month to month until sufficient funds are on hand in said Sinking Fund to pay all of the outstanding Bonds and the interest which will become due and payable thereon.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding paragraphs, if moneys are withdrawn from a Reserve Subaccount to pay any of the Bonds secured thereby, if the value of the investments declines to an amount less than the Debt Service Reserve Requirement, or, if a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then there shall be paid into the Reserve Subaccount substantially equal monthly payments sufficient to (i) restore the amount withdrawn from the Reserve Subaccount, (ii) restore the value of investments to an amount equal to the Debt Service Reserve Requirement or (iii) reimburse the issuer of the Debt Service Reserve Surety Bond, in each case within 12 months. If a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits shall also include substantially equal monthly payments sufficient to reimburse the issuer of the Credit or Liquidity Facility in accordance with its terms. In the event of a drawdown on any Debt Service Reserve Surety Bond or any Credit or Liquidity Facility, such payments shall be made first, on a pro rata basis, to the issuers of the Debt Service Reserve Surety Bonds, then, on a pro rata basis, to the issuers of such Credit or Liquidity Facilities and then, to replenish any cash. Each Reserve Subaccount shall be funded and replenished pro rata.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding paragraphs, the Authority will pay from the Revenue Fund amounts as are needed to pay BAM for the interest that accrues on the unreimbursed payments made by BAM under the Policy.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding paragraphs, the Authority will pay from the Revenue Fund amounts as are needed to pay any Subordinate Debt that hereafter may be issued.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding paragraphs, the Authority will pay from the Revenue Fund into the Renewal and Extension Fund, at least annually and prior to the end of each Fiscal Year, the moneys remaining in the Revenue Fund.

See APPENDIX C for more information on the funds and accounts created in the Resolution.

Additional Bonds

The Authority may issue, under certain terms and conditions as provided in the Resolution, Additional Bonds, and if issued, such Additional Bonds will rank on parity as to lien on the Net Revenues of the System with the lien securing the payment of the Series 2026 Bonds. The Series 2026 Bonds and any Additional Bonds hereafter issued are referred to herein as the “Bonds.” See APPENDIX C for a description of the terms and conditions under which Additional Bonds may be issued.

Reserve Account

The Authority has established a Reserve Subaccount (the “Series 2026 Reserve Subaccount”) in the Reserve Account that will be funded in an amount equal to the Debt Service Reserve Requirement for the benefit of the holders of the Series 2026 Bonds. Simultaneously with the issuance of the Series 2026 Bonds, the Series 2026 Debt Service Reserve Surety Bond, in an amount equal to the Debt Service Reserve Requirement, will be deposited into the Series 2026 Reserve Subaccount. The Series 2026 Reserve Subaccount will secure the Series 2026 Bonds but will not secure any Additional Bonds hereafter issued. The Authority has also established a debt service reserve subaccount for the Series 2017 Bonds, which does not secure the Series 2026 Bonds. See APPENDIX C.

Rate Covenant

Pursuant to the Resolution, the Authority has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System, and shall adjust, as necessary, such schedule of rates,

fees and charges in order to produce Net Revenues equal to at least 1.15 times the Debt Service Requirement in the then current Sinking Fund Year. See APPENDIX C.

Policy

The scheduled payment of the principal of and interest on the Series 2026 Bonds when due will be guaranteed under the Policy to be issued concurrently with the delivery of the Series 2026 Bonds by BAM. See “BOND INSURANCE” and APPENDIX E BOND INSURANCE.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2026 Bonds, BAM will issue the Policy. The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

General. BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2026 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2026 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2026 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Series 2026 Bonds, nor does it guarantee that the rating on the Series 2026 Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$505.6 million, \$295.6 million and \$210.0 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2026 Bonds or the advisability of investing in the Series 2026 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer or the underwriter for the Series 2026 Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2026 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2026 Bonds, whether at the initial offering or otherwise.

Enforceability of Remedies

The realization of the value from the pledge of the Net Revenues of the System upon any default in the payment of the principal of or interest on the Series 2026 Bonds will depend upon the exercise of various remedies specified under the laws of the State of Georgia. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds will be qualified as to the enforceability of rights or remedies with respect to the Series 2026 Bonds by bankruptcy, insolvency, laws affecting creditors' rights generally and the application of equitable principles.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no county, municipality, school district, division, instrumentality, political subdivision, or public body corporate, including the Authority, of the

State of Georgia shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, city council or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any municipality created under the Constitution or laws of the State of Georgia of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

PLAN OF FINANCING

Estimated Sources and Uses of Funds*

The estimated sources and uses of funds of the Series 2026 Bonds are summarized below:

Sources:

Par Amount of Series 2026 Bonds	8,165,000*
Plus: [Net] Original Issue Premium	
Total	

Uses:

Series 2026 Project
Costs of Issuance ⁽¹⁾
Total

⁽¹⁾ Includes underwriting discount, validation court costs, printing costs, legal fees, ratings fees, the premiums for the Series 2026 Debt Service Reserve Surety Bond and the Policy and other miscellaneous costs of issuance.

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The Series 2026 Project

A portion of the proceeds of the Series 2026 Bonds will be used to pay a portion of the costs of the Series 2026 Project and the costs of issuance of the Series 2026 Bonds. See APPENDIX F for a detailed description of the capital projects constituting the Series 2026 Project. The Authority intends to complete the Series 2026 Project, which covers years 0-3 below, with proceeds of the Series 2026 Bonds. These include the following:

Project	Years 0-3	Years 4-6	Years 7-10
Westside Influent Line			\$ 400,000
Westside Electrical Evaluation		\$ 100,000	
Eastside Electrical Evaluation		100,000	
Westside Aerobic Digester		750,000	
Eastside Aerobic Digester			750,000
Westside Digester Splitter Box		250,000	
Eastside Flow Meters			25,000
Westside Flow Meters			25,000
Eastside Belt Press	\$ 750,000		
Major LS Improvements	1,570,000		
Minor LS Improvements		2,000,000	
I&I Investigation		625,000	
System-Wide Sewer Rehabilitation		2,600,000	
Meter Register Replacements		450,000	
North Madison Water/Sewer Main Replacement	3,375,000		
Lower Harmony Booster Station Upgrade	350,000		
Additional Elevated Storage Tank			2,000,000
Water Main Replacement	704,000		
Service Line Replacements	360,000		
Fire Hydrant Assemblies	90,000		
Valve Replacements	180,000	180,000	
Rockville Extension		3,250,000	
SCADA Upgrade	\$35,000		
Office Building		1,250,000	
Capital Total	\$7,414,000	\$11,555,000	\$3,200,000
Non-Construction	751,000	1,600,000	480,000
Total Expenditure	\$8,165,000	\$13,155,000	\$3,680,000

It is currently anticipated that the capital projects illustrated in Years 4-6 and Years 7-10 above (collectively the “Future Capital Improvements”) will be funded with the proceeds of future GEFA Loans (the “Future GEFA Loans”) and System revenues as more particularly described in APPENDIX F.

Debt Service Schedule*

The following table sets forth the annual debt service requirements during each fiscal year on the Series 2017 Bonds, the Series 2026 Bonds and the GEFA Loans (as defined below), which are payable from (but not secured by) the Net Revenues of the System. The Authority has no other debt payable from the Net Revenues of the System.

FYE December 31	Series 2017 Bonds		Series 2026 Bonds*		Aggregate Bonded Debt	GEFA Loans			Aggregate Combined Debt Service
	Principal	Interest	Principal	Interest (Net)	Service	Principal	Interest	Total	
2026	\$ 285,000	\$ 342,138	-	-	627,137.50	\$ 391,044	\$ 67,109	\$ 458,153	\$1,085,290.13
2027	295,000	333,588	-	416,735.52	1,045,323.02	284,885	58,928	343,813	1,389,136.80
2028	305,000	324,738	-	420,237.50	1,049,975.00	230,596	54,348	284,944	1,334,919.68
2029	315,000	312,538	-	420,237.50	1,047,775.00	234,425	50,520	284,945	1,332,719.68
2030	330,000	299,938	-	420,237.50	1,050,175.00	238,318	46,627	284,945	1,335,119.68
2031	340,000	286,738	-	420,237.50	1,046,975.00	235,931	42,727	278,658	1,325,633.61
2032	350,000	276,538	-	420,237.50	1,046,775.00	237,438	38,947	276,385	1,323,159.84
2033	365,000	265,600	-	420,237.50	1,050,837.50	241,272	35,113	276,385	1,327,222.34
2034	375,000	253,738	-	420,237.50	1,048,975.00	182,799	31,505	214,304	1,263,278.96
2035	385,000	241,550	-	420,237.50	1,046,787.50	179,108	28,322	207,430	1,254,218.18
2036	405,000	226,150	-	420,237.50	1,051,387.50	182,341	25,090	207,431	1,258,818.18
2037	420,000	209,950	-	420,237.50	1,050,187.50	185,632	21,799	207,431	1,257,618.18
2038	435,000	195,250	-	420,237.50	1,050,487.50	188,982	18,449	207,431	1,257,918.18
2039	450,000	180,025	-	420,237.50	1,050,262.50	192,392	15,038	207,430	1,257,693.18
2040	465,000	164,275	-	420,237.50	1,049,512.50	195,865	11,566	207,431	1,256,943.18
2041	480,000	148,000	-	420,237.50	1,048,237.50	199,400	8,031	207,431	1,255,668.18
2042	495,000	131,200	-	420,237.50	1,046,437.50	202,998	4,432	207,430	1,253,868.18
2043	515,000	111,400	-	420,237.50	1,046,637.50	137,363	924	138,287	1,184,923.89
2044	540,000	90,800	65,000	420,237.50	1,116,037.50				1,116,037.50
2045	560,000	69,200	70,000	416,987.50	1,116,187.50				1,116,187.50
2046	580,000	46,800	75,000	413,487.50	1,115,287.50				1,115,287.50
2047	590,000	23,600	95,000	409,737.50	1,118,337.50				1,118,337.50
2048			710,000	404,987.50	1,114,987.50				1,114,987.50
2049			745,000	369,487.50	1,114,487.50				1,114,487.50
2050			785,000	332,237.50	1,117,237.50				1,117,237.50
2051			825,000	292,987.50	1,117,987.50				1,117,987.50
2052			865,000	251,737.50	1,116,737.50				1,116,737.50
2053			910,000	206,325.00	1,116,325.00				1,116,325.00
2054			955,000	158,550.00	1,113,550.00				1,113,550.00
2055			1,005,000	108,412.50	1,113,412.50				1,113,412.50
2056			1,060,000	55,650.00	1,115,650.00				1,115,650.00
Total	\$9,280,000	\$ 4,533,754	\$8,165,000	\$10,981,360.52	\$ 32,960,110.52	\$3,940,789	\$559,475	\$ 4,500,264	\$ 37,460,375.05

⁽¹⁾ The Authority pays seven loans (collectively, the “GEFA Loans”) from the Georgia Environmental Finance Authority (“GEFA”) from Net Revenues. The GEFA Loans are payable from but do not have a lien on the Net Revenues. See “THE SYSTEM – Wastewater System” and “SYSTEM FINANCIAL INFORMATION – Capital Improvement Plan and Additional Debt.”

THE AUTHORITY

General Description

The Authority was created pursuant to the Act. Pursuant to the Revenue Bond Law and the Act, the Authority has the power to, among other things, own and operate the System and issue its revenue bonds in order to finance improvements to the System and to refund revenue bonds. The Authority began operations on May 1, 2007 when the water distribution system of the County and the water treatment plant, wastewater treatment plants and the distribution and collection systems of the City were combined by the transfer of those collective assets to the Authority and the employment of associated personnel by the Authority.

Government

The Authority consists of five members. According to the Act, one member shall be the Chairman of the Board of Commissioners of Putnam County (the “Board of Commissioners”) or an individual designated by the Chairman; one member shall be the Mayor of the City or an individual designated by the Mayor; one member shall be appointed by the Board of Commissioners (the “County Member”); one member shall be appointed by the Mayor and Council of Eatonton (the “City Member”); and one member shall be appointed by the foregoing members (the “At-Large Member”). The County Member, the City Member and the At-Large Member each serve staggered four-year terms. The terms of the Chairman and the Mayor (or their designees) correspond with their terms of office. The current members of the Authority, their primary occupation and the expiration of their terms of office are listed below:

<u>Member</u>	<u>Primary Occupation</u>	<u>Term Expires</u>
B.W. Sharp, Chairman	Retired	December 31, 2026
John Reid, Vice Chairman	Mayor of Eatonton	December 31, 2027
Judson Doster	Morgan Stanley	Expired ⁽¹⁾
J.T. Jay Gregory III	Contractor	Expired ⁽¹⁾
Jay Bowden	Contractor	March 1, 2030

⁽¹⁾ The Act provides that duly appointed members whose terms have expired shall continue to serve until a successor is appointed.

THE SYSTEM

General

The Authority owns and operates the System. The System consists of a water distribution system and a wastewater collection and treatment system. The Authority provides water and sewer services to 100 percent of the City and water services to approximately one-third of the unincorporated County. The System has approximately 5,593 water customers and 2,012 sewer customers. The Authority is a party to a Service Delivery Agreement, dated July 11, 2007 (the “Service Delivery Agreement”) with Piedmont Water Company (“Piedmont”). The Service Delivery Agreement, which has a 20-year term, divided the unincorporated County into two water services areas—one to be served by the Authority and the other to be served by Piedmont. The Authority’s existing service area in 2007 was not affected by the Service Delivery Agreement. The Authority did not anticipate that the Service Delivery Agreement would have a material adverse effect on the expansion of its water service area and to date the water system has not been negatively impacted. Furthermore, pursuant to the hereinafter described Piedmont Contract, the Authority and Piedmont have agreed to maintain the geographic areas prescribed by the Service Delivery Agreement for the term of the Piedmont Contract.

Management

The Authority and ESG Operations/Inframark (the “Operator”) have entered into an Agreement, dated February 12, 2020 as amended from time to time (the “Operations Contract”), under the terms of which the Operator agreed to operate and maintain the System. The Authority currently has no direct employees. Pursuant to the Operations Contract, the Operator provides comprehensive operation and maintenance services, including day-to-day operation, staffing, and regulatory compliance, in exchange for a fixed monthly fee, subject to annual fee adjustments. The initial term of the Operations Contract commenced on March 1, 2020 and terminates March 1, 2030. The Authority may terminate the Operations Contract by notifying operator of its intent to cancel no less than 120 days prior to the expiration date of the contract. The Operations Contract required the Authority to pay the Operator a monthly base fee of \$231,520.00 for services rendered during 2025, based on one-twelfth of annual budgeted amounts. The fee for each renewal term is subject to a consumer price index adjustment based on the CPI for water and sewage maintenance. The Operator is a Georgia corporation whose principal place of business is Macon, Georgia.

Operator

The Operator provides full-service operation, maintenance, management, and consulting services to the government and private sector across the Southeast. The Operator uses the professional contract operations concept to meet the needs of municipal utilities, managing the need to maintain services and aging infrastructures within an even more demanding regulatory environment. Since starting operations, the Operator has successfully transitioned multiple utility operations jobs from large companies. In fact, no other contractor in the industry has successfully transitioned more jobs in the past eight years than the Operator, which has grown to more than 500+ locations with over 3,175 full-time personnel and is now the largest utility operations company in the Southeast.

Water System

Water Supply. The Authority obtains all of its water (all of which is treated water) from the County pursuant to the Water Supply Contract described more fully below. The County obtains all of its treated water from the Sinclair Water Authority (the “SWA”) pursuant to an Intergovernmental Agreement, dated May 17, 2006 (the “SWA Agreement”), among the SWA, the County and Baldwin County (“Baldwin”). The SWA was created by the General Assembly in 2001 pursuant to the Sinclair Water Authority Act (2001 Ga. L. p 3649, *et seq.*, as amended) for the express purpose of providing treated water exclusively to Baldwin and the County. The term of the SWA Agreement is 50 years. Pursuant to the terms of the SWA Agreement, the County is entitled to one-half of the capacity of the Water Treatment Plant described more fully below and must pay one-half of the cost of all treated water.

The SWA obtains its water from Lake Sinclair, which is located in the Oconee River basin, pursuant to a surface water withdrawal permit issued by the Watershed Protection Branch of the Environmental Protection Division of Georgia (the “EPD”). The water withdrawal permit allows the SWA to withdraw a monthly average of no more than 6.65 MGD from Lake Sinclair. Raw water is treated by the SWA at its water treatment plant (the “Water Treatment Plant”). The Water Treatment Plant was designed to produce 9 MGD of potable water. The Plant as constructed can produce 6.2 MGD and with modification and the acquisition of additional equipment could produce up to the current permit monthly average of 6.65 MGD. The Water Treatment Plant is permitted by the EPD to treat a monthly average of 6.65 MGD. The Water Treatment Plant was constructed in 2007 and began operations in the fall of that year. In 2016, the SWA completed a capital improvement project that include the addition of a fourth membrane train and a liner to the filter tank. The Water Treatment Plant is in good condition. A two million gallon capacity ground storage tank is part of the operational facilities of the Water Treatment Plan. Treated water is delivered by the SWA from the Water Treatment Plant to the Authority’s distribution system by a dedicated distribution line.

The Authority obtains all of its water from the County pursuant to the Intergovernmental Agreement dated November 19, 2014 (the “Water Supply Contract”). The Water Supply Contract has a term of 20 years. Management of the Authority expects that the Water Supply Contract will be renewed when it expires. Pursuant to the Water Supply Contract, the County has assigned 100% of its 2.5 MGD treated water allocation from SWA to the Authority (*i.e.*, 2.475 MGD). In the event that the capacity of the Water Treatment Plant is increased, the Authority

will be entitled to 50% of the excess capacity allocated to the County from SWA and the County will be entitled to the remaining 50%. The Authority is required to pay that same percentage of the County's obligations under the SWA Agreement described above.

Water Purchases. The amount and cost of treated water purchased by the Authority during the last five fiscal years is set forth below. The water purchased by the County has been included in these figures because it is immaterial and because the water is sold to the County at the Authority's cost.

<u>Year</u>	<u>Amount Purchased</u> <u>(Gallons)</u>	<u>Cost</u>
2021	403,717,981	\$ 937,454
2022	447,266,161	984,326
2023	473,509,007	1,043,385
2024	452,256,360	1,105,988
2025	441,795,800	1,216,588

Source: System Records.

The Authority believes that it has sufficient water to service its existing customers and to accommodate future growth. As indicated above, the Authority purchased an average of 1.24 MGD, and the Authority has the contractual right to receive up to 2.475 MGD.

Water Supply Contracts. The Authority entered into a "take or pay" water supply contract with Piedmont on July 17th, 2024, for an initial ten-year term (the "Piedmont Contract"). The Piedmont Contract provides for two successive automatic ten-year term renewals, which Piedmont may cancel by giving written notice of intent to cancel such renewal with at least one year's notice. The Authority may also cancel the second ten-year renewal term by giving written notice of intent to cancel with at least one year's notice. The Piedmont Contract provides that Piedmont must purchase a minimum of 130,000 gallons per day and a maximum of 300,000 gallons of water per day, determined on a daily average over an individual monthly billing period, at an initial rate of \$3.10 per gallon. In the event Piedmont exceeds the maximum of 300,000 gallons per day, the rate for the overage per 1,000 gallons shall be 90% of the current rate in effect, and in no event shall such excess occur more than three times per billing month. The Authority may, in its sole discretion, increase or decrease the prevailing rate on the effective date's (the earlier of the date Piedmont connects to the Authority's system or 18 months from July 17, 2024) annual anniversary; however, any such increase may not exceed 3% of the prior year's rate. Furthermore, the Authority may at any time, following the fifth anniversary of the Piedmont Contract, unilaterally adjust any allocation of gallons per day available to Piedmont on sixty-days' notice.

Water Distribution. The distribution system consists of 240 miles of distribution lines ranging in size from two inches to 18 inches. Over 65% of the distribution lines have been installed or replaced in the last 15 years with pvc or ductile iron pipe. It is estimated that the distribution lines have an average useful life of 50 years. The distribution system is considered to be generally in good condition except for the lines that have not been replaced in the last 15 years and some fire hydrants that are not operating properly. The Authority's engineers have also noted that the water system would operate better if the water mains were larger.

Unaccounted for water had historically been in excess of 21%. In order to reduce unaccounted for water and as part of its ongoing maintenance of the water system, the Authority replaced approximately three miles of lines in the City and installed cut-off valves. Due to these measures, the unaccounted for water was reduced by approximately 8%. The unaccounted for water is caused primarily by old pipes and flushing. The Authority anticipates that the unaccounted for water would reduce slightly if older water lines were replaced. The Authority does not have any plans or budget for major line replacements.

Storage. Finished water is stored in five elevated storage tanks with a combined capacity of 1.65 million gallons, as shown in the table below.

<u>Name</u>	<u>Capacity (Gallons)</u>
Horton Homes	400,000
Gro-Tech	400,000
Downtown	200,000
Dennis Station	400,000
Magnolia Street	<u>250,000</u>
Total Volume	1,650,000

Source: System Records.

The overall condition of each of the tanks is good and regular maintenance is performed by a third-party provider.

Number of Water Customers. Set forth below are the number of actual water customers by category for the last five fiscal years.

NUMBER OF WATER CUSTOMERS

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total Customers</u>
2021	4,997	367	5,364
2022	5,095	383	5,478
2023	5,207	386	5,593
2024	5,805	406	6,211
2025	6,334	296	6,630

Source: System Records.

Wastewater System

Collection. The wastewater collection system is made up of approximately 38 miles of collection lines and 13 lift stations. The collection lines were installed over 50 years ago using vitrified clay pipe and have been replaced as necessary using pvc, ductile iron and concrete pipe. The Authority's engineers have advised the authority that the collection system is experiencing inflow and infiltration problems associated with storm water runoff and old collection pipes. The lift stations overall are in good condition and a majority have been rehabilitated in the past decade in at least one of the following areas: electrical, pump replacement/rebuild or structural repair.

Treatment. The wastewater treatment system consists of two wastewater treatment plants: the Eastside Plant and the Westside Plant. Each plant has a designed capacity of .55 MGD is permitted by the EPD to treat and discharge a monthly average of .55 MGD. Both plants were constructed in 1969 and were upgraded and expanded in 1988 through 1989. The Authority was approved by GEFA in May of 2017 for a \$2,500,000 loan through the Clean Water State Revolving Fund for the purpose of making planned improvements to the plants. The project included the installation of a third clarifier at both the plants and replacement of existing, undersized piping, electrical and miscellaneous interior building upgrades, and various equipment replacements within the existing plants for those components that were beyond their service life. Those improvements allowed the plants to continue to meet the treatment limits and hydraulic capacities of their NPDES permit. Following these improvements, the plants are in generally in good condition.

Wastewater Demand. For 2025, the average daily demand for the Eastside Plant was 0.267 MGD, and the average daily demand for the Westside Plant was 0.238 MGD. The monthly maximum/peak demand for fiscal year 2025 was 1.15 MGD for the Westside Plant and 1.11 MGD for the Eastside Plant. Therefore, the Authority believes that the plants have sufficient capacity to service its existing customers and to accommodate future growth.

Number of Sewer Customers. Set forth below are the number of sewer customers for the last five fiscal years.

<u>Year</u>	<u>Number of Customers</u>
2021	1,999
2022	1,998
2023	2,012
2024	2,028
2025	2,039

Source: System Records.

Largest System Customers.

Listed below are the 10 largest customers of the System for the fiscal year ended December 31, 2025.

LARGEST SYSTEM CUSTOMERS

<u>Customer⁽¹⁾</u>	<u>Total Annual Billing</u>	<u>Percent of Total Billings⁽²⁾</u>
1. Putnam Middle School	\$69,923.56	1.35%
2. Interfor	61,357.87	1.18
3. USDA	43,999.06	0.85
4. Putnam General Hospital	37,766.84	0.73
5. Hillside Apartments	37,910.54	0.73
6. Putnam County Jail	35,480.45	0.68
7. Western Motel	34,450.13	0.66
8. Walmart	33,667.93	0.65
9. Putnam Dialysis	28,316.90	0.55
10. Central Garden and Pet	26,698.46	0.51
Total	\$409,571.74	7.90%

⁽¹⁾ Piedmont is currently the System's largest customer but does not appear in this table due to the timing of the implementation of the Piedmont Contract.

⁽²⁾ Based on total billing of \$5,187,203.

Source: System Records

Rates and Charges

Rate Setting Process. Under Georgia law, the Authority has the power to establish rates and charges for water and sewer service supplied by the System. The rates charged by the Authority for water and sewer are not subject to review or approval by any federal or state regulatory body. The board members of the Authority establish the rates, which are subject to change at any time as the board members of the Authority deem advisable. Rates and charges are determined pursuant to an adopted rate policy which provides that, beginning November 1, 2026 and for each consecutive year thereafter on November 1, water and sewer rates shall be increased by a percentage equal to the annual consumer price index adjustment based on the CPI for water and sewage maintenance plus two (2.0) percent. The most recent adjustment, which will be implemented during the November 2026 billing cycle, will be 6.9% and will be applied to the base rates and usage charges set forth below.

Base Rates.⁽¹⁾ The Authority charges a base charge of \$32.28 per month for City water customers, \$38.28 per month for County water customers and \$39.45 per month for City sewer customers. The base rates for all categories of customers, based on meter size, are set forth below.

<u>Meter Size</u>	<u>City Water Base Rate</u>	<u>City Sewer Base Rate</u>	<u>County Water Base Rate</u>
0.75"	\$ 32.28	\$ 39.45	\$ 38.28
1"	42.32	46.40	42.32
2"	78.67	103.05	78.67
3"	132.35	140.67	132.35
4"	196.23	249.74	196.23
6"	340.70	340.70	340.70
8"	528.75	489.20	528.75

⁽¹⁾ These rates will increase by 6.9% in the November billing cycle as described herein. See "THE SYSTEM – Rates and Charges."

Source: System Records.

Usage Charges. The Authority charges the following rates (per thousand gallon) based upon the amount of water used (in gallons) each month:

WATER RATES⁽¹⁾

<u>Amount Used</u>	<u>Charge</u>
1,001-2,000	\$4.38
2,001-5,000	7.02
5,001-10,000	7.72
10,001-20,000	8.40
20,001-50,000	8.96
Over 50,000	9.71

⁽¹⁾ These rates will increase by 6.9% in the November billing cycle as described herein. See "THE SYSTEM – Rates and Charges."

Source: System Records.

SEWER RATES⁽¹⁾

<u>Amount Used</u>	<u>Charge</u>
1,001-2,000	\$ 5.46
2,001-5,000	9.09
5,001-10,000	10.00
10,001-20,000	10.91
20,001-50,000	11.82
Over 50,000	12.72

⁽¹⁾ These rates will increase by 6.9% in the November billing cycle as described herein. See “THE SYSTEM – Rates and Charges.”

Source: System Records.

Tap Fees. The Authority also charges the following tap fees based upon the type of customer and the size of the tap.

RESIDENTIAL TAP FEES

<u>Meter Size</u>	<u>Charge</u>
¾”	\$ 3,546
1”	7,204
2”	22,718

Source: System Records.

COMMERCIAL TAP FEES

<u>Meter Size</u>	<u>Charge</u>
2”	\$ 22,718
3”	44,549
4”	72,367
6”	137,970

Source: System Records.

Billing

The Authority presently requires an account deposit of \$150. Water and sewer bills are computed monthly and are due the 15th of each month. A penalty of 15 percent is added each month if not paid by the 15th of the month. Water service is discontinued when one month's bill is ten days past due and the customer is charged a \$100 disconnect fee.

Employees, Employee Relations and Labor Organizations

Generally. The Authority currently employs no direct employees as the Operator hired the Authority's employees during 2020.

The Operator's plant operators for the waste water facilities maintain appropriate certifications as required by the applicable provisions and requirements of Georgia law. The Operator has a continuing education program to ensure that its personnel are qualified and able to meet the State of Georgia's certification requirements.

Defined Benefit Plan. The Authority established a non-contributory defined benefit plan pension plan (the “Defined Benefit Plan”) covering substantially all of the Authority’s employees. The Defined Benefit Plan was closed to new participants effective January 1, 2015. Effective, March 1, 2020 all employees of the Authority were terminated due to the implementation of the Operation Contract. The Defined Benefit Plan is administered through the Georgia Municipal Employee Benefit System (“GMEBS”), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Defined Benefit Plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Defined Benefit Plan. That report may be obtained by writing to GMEBS, 201 Pryor Street, NW., Atlanta, Georgia 30303 or by calling (404) 688-0472 or on the internet at www.gmanet.com.

The Authority’s net pension liability was measured as of March 31, 2025. The total market value of the Defined Benefit Plan’s assets, as of December 31, 2025, was \$1,155,405, and the total pension liability was \$746,527, resulting in a funding surplus of \$424,935 and a funded ratio of 154.77%.

Other Post-Employment Benefits. The Authority does not currently offer other post-employment benefits than those set forth above.

Governmental Approvals and Environmental Regulation

Wastewater Treatment and Discharge. The Authority’s wastewater operations are subject to the regulatory requirements imposed by the federal Clean Water Act and the Georgia Water Quality Control Act. Under the Clean Water Act, a National Pollutant Discharge Elimination System Permit (“NPDES Permit”) is generally required for discharges to surface water. Therefore, to comply with federally mandated effluent quality and disposal criteria, the Authority must operate its wastewater treatment plants according to discharge limitations set forth in NPDES Permits. The Authority has NPDES Permits to discharge to the Rooty Creek tributary to Lake Sinclair in the Oconee River Basin (Eastside Plant) and to an unnamed tributary to the Little River in the Oconee River Basin (Westside Plant). The NPDES Permit for the Eastside Plant expires on December 31, 2028, and the NPDES Permit for the Westside Plant expires on January 31, 2029. The NPDES Permits allow the Authority to treat and discharge the amounts set forth below.

PERMITTED FLOW CAPACITY (MGD)

<u>Wastewater Treatment Plant</u>	<u>Monthly Average</u>	<u>Weekly Average</u>
Eastside	.55	.69
Westside	.55	.69

Source: System Records.

As part of the NPDES Permits, the Authority is required to monitor and report the effluent quality and the plant flows. The Authority has from time to time submitted discharge monitoring reports to the EPD indicating various violations of effluent limitations at its treatment plants. The wastewater system has also experienced occasional overflows which have necessitated reporting and other obligations on the part of the Authority. The fines or penalties for these violations or overflows were not substantial, and, except as described above and in the paragraph below, the Authority met all specified conditions of any orders.

Water Withdrawal. The Georgia Water Quality Control Act authorizes the EPD to regulate the withdrawal of water from lakes and streams in Georgia. The SWA received a permit to withdraw from Lake Sinclair. The permit expires on December 5, 2027. The permitted withdrawal limits are set forth below.

PERMITTED WITHDRAWAL (MGD)

<u>Raw Water Source</u>	<u>Monthly Average</u>	<u>One Day Maximum</u>
Lake Sinclair	6.65	9.50

Source: System Records.

Water Treatment. The EPD also regulates water treatment systems in Georgia. The EPD has issued to the SWA an operating permit for the treatment of water at the Water Treatment Plant. The permit expires on December 5, 2026. The permit allows the SWA to treat the amounts set forth below at the Water Treatment Plant.

PERMITTED TREATMENT CAPACITY (MGD)

Monthly Average

6.65 MGD

Source: System Records.

Other Approvals. The Georgia EPD has the authority to review and approve the plans and specifications for the improvements and extensions to the System. When and if these plans and specifications are finalized for a particular project, the Authority submits them to the Georgia EPD for approval. The Authority is not aware of any further approvals necessary for the planned improvements or for the operation of the System.

SYSTEM FINANCIAL INFORMATION

Accounting Policies

See footnote 1 of APPENDIX A hereto for a description of the Authority's accounting policies.

Select Historical Financial Information

General. Set forth below is certain financial information relating to the Authority. The information has been extracted from the audited financial statements of the Authority for the fiscal years ended December 31, 2021 through 2025. No representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the results of operations of the Authority for the periods shown. The following financial information should be read in conjunction with the audited financial statements included as APPENDIX A.

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Statement of Revenues, Expenses and Changes in Net Position. Set forth below is an historical, comparative summary of the revenues and expenses of the Authority for the past five fiscal years. For more detailed information regarding the financial results and condition of the Authority, see the audited financial statements of the Authority for the fiscal year ended December 31, 2025, included in Appendix A. The information in the following table has been extracted from the audited financial statements of the Authority for the fiscal years ended December 31, 2021 to 2025, copies of which are available from the Authority upon request. Although the information was taken from audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the results of operations of the Authority for the periods shown.

	Fiscal Year Ended December 31				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽³⁾</u>
OPERATING REVENUES					
Water sales	\$ 3,006,857	\$ 3,157,458	\$ 3,480,651	\$ 3,774,009	\$ 3,708,722
Sewer sales	1,333,023	1,354,858	1,551,171	1,508,499	1,478,481
Connection fees	129,375	113,183	139,072	94,579	95,442
Late fees	130,720	130,204	192,868	145,802	192,034
Other fees and charges	<u>158,500</u>	<u>348,236</u>	<u>292,999</u>	<u>251,164</u>	<u>409,245</u>
Total operating revenues	<u>4,758,475</u>	<u>5,103,939</u>	<u>5,656,761</u>	<u>5,774,053</u>	<u>5,883,924</u>
OPERATING EXPENSES					
Water purchases	937,454	984,326	1,043,386	1,023,040	1,028,045
Pension expense	(43,209)	(60,476)	(3,417)	(81,330)	(75,354)
Repairs and maintenance	76,135	113,780	510,938	823,293	1,078,107 ⁽³⁾
Utilities	139,268	162,156	224,437	226,422	268,596
Administrative and engineering	150,919	206,433	223,507	208,218	235,066
Professional services	66,563	34,710	97,334	113,659	119,614
Management fees	1,939,268	2,153,853	2,118,399	1,828,910	1,964,240
Bad debt expense	21,631	13,245	44,287	22,470	5,477
Depreciation and amortization	<u>828,085</u>	<u>822,027</u>	<u>856,869</u>	<u>940,537</u>	<u>893,381</u>
Total Operating Expenses	<u>4,116,114</u>	<u>4,430,054</u>	<u>5,115,740</u>	<u>5,105,219</u>	<u>5,517,172</u>
Operating Income	<u>642,361</u>	<u>673,885</u>	<u>541,021</u>	<u>668,834</u>	<u>366,752</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	170,215	7,666	64,749	2,228,472 ⁽¹⁾	1,924,760 ⁽²⁾
Interest income	19,600	29,152	27,210	22,595	37,834
Insurance reimbursement	—	—	—	—	—
Gain on sale of assets	—	7,677	23,475	—	—
Interest expense and fiscal charges	<u>(499,772)</u>	<u>(475,183)</u>	<u>(455,496)</u>	<u>(500,152)</u>	<u>(421,950)</u>
Total non-operating revenues (expenses)	<u>(309,957)</u>	<u>(430,688)</u>	<u>(340,062)</u>	<u>1,750,915</u>	<u>1,540,644</u>
Income before contributions	<u>332,404</u>	<u>243,197</u>	<u>200,959</u>	<u>2,419,749</u>	<u>1,907,396</u>
Capital contributions	<u>100,000</u>	<u>150,000</u>	<u>250,000</u>	<u>—</u>	<u>—</u>
Change in net position	432,404	393,197	450,959	2,419,749	1,907,396
Net Position, beginning of year	<u>12,058,545</u>	<u>12,490,948</u>	<u>12,884,145</u>	<u>13,335,104</u>	<u>15,754,853</u>
Net Position, end of year	<u>\$12,490,949</u>	<u>\$12,884,145</u>	<u>\$13,335,104</u>	<u>\$15,754,853</u>	<u>\$17,662,249</u>

(1) Represents a transfer of Special Local Option Sales Tax funds for capital projects.

(2) Represents grant funds (American Rescue Plan Act).

(3) During the audit, the auditor noted that certain revenues and expenditures were not recorded in the appropriate accounting period. Specifically, transactions occurring near year-end were recorded in subsequent periods, resulting in the prior year's expenses being accounted for in the current year. Management concurred with this finding.

Statement of Net Position. Set forth below is a summary of the statement of net position for the last five audited fiscal years.

ASSETS	Fiscal years ended December 31,				
	2021	2022	2023	2024	2025
CURRENT ASSETS					
Cash	\$2,198,500	\$1,987,219	\$1,862,215	\$1,568,766	\$1,060,016
Investments	750,000	750,000	758,047	1,107,641	—
Accounts receivable, net	509,747	536,606	621,813	1,011,239	627,250
Intergovernmental receivable	10,672	—	—	483,405	248,376
Prepaid expenses	69,688	69,305	69,232	62,877	303,137
Restricted cash	205,477	208,331	217,775	124,134	115,171
Total current assets	<u>3,744,084</u>	<u>3,551,461</u>	<u>3,529,082</u>	<u>4,358,062</u>	<u>2,353,950</u>
NONCURRENT ASSETS					
Investments	350,000	358,047	350,000	—	607,240
Restricted investments	645,000	645,000	645,000	645,000	395,000
Net pension asset	385,054	388,153	246,510	408,044	424,935
	<u>1,380,054</u>	<u>1,391,200</u>	<u>1,241,510</u>	<u>1,053,044</u>	<u>1,427,175</u>
Capital assets:					
Land	101,899	101,899	101,899	120,304	111,899
Construction in progress	4,996,477	5,844,111	6,412,360	2,183,696	5,576,996
Buildings	37,533	37,533	37,533	37,533	37,533
Infrastructure	30,832,378	30,847,878	30,990,302	37,267,678	37,638,432
Vehicles	297,404	246,635	318,635	439,385	585,979
Furniture, fixtures, and equipment	688,335	761,933	1,417,223	1,518,676	1,500,443
SBITA right-to-use asset	—	—	97,248	161,948	161,948
Total capital assets	<u>36,954,026</u>	<u>37,839,989</u>	<u>39,375,200</u>	<u>41,729,220</u>	<u>45,613,230</u>
Less accumulated depreciation	<u>(13,545,119)</u>	<u>(14,308,159)</u>	<u>(15,165,028)</u>	<u>(16,105,565)</u>	<u>(16,934,410)</u>
Total capital assets, net of accumulated depreciation	<u>23,408,907</u>	<u>23,531,830</u>	<u>24,210,172</u>	<u>25,623,655</u>	<u>28,678,820</u>
Total noncurrent assets	<u>24,788,961</u>	<u>24,923,030</u>	<u>25,451,682</u>	<u>26,676,699</u>	<u>30,105,995</u>
Total assets	<u>28,533,045</u>	<u>28,474,491</u>	<u>28,980,764</u>	<u>31,034,761</u>	<u>32,459,945</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	<u>26,190</u>	<u>13,558</u>	<u>44,091</u>	<u>4,729</u>	<u>33,285</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	140,899	177,010	388,616	547,811	\$126,499
Due to other governments	—	—	—	—	544,199
Accrued expenses and other liabilities	3,938	3,938	69,946	62,357	60,559
SBITA liability	—	—	30,975	32,394	—
Accrued interest payable	73,705	67,878	—	—	—
Retainage payable	78,959	—	—	—	189,023
Notes payable	230,131	289,970	392,032	402,491	391,044
Bonds payable	245,000	255,000	265,000	275,000	285,000
	<u>772,632</u>	<u>793,796</u>	<u>1,146,569</u>	<u>1,320,053</u>	<u>1,596,324</u>
Payable from restricted assets					
Customer deposits payable	280,009	274,321	299,781	329,647	403,705
Total current liabilities	<u>1,052,641</u>	<u>1,068,117</u>	<u>1,446,350</u>	<u>1,649,700</u>	<u>2,000,029</u>
LONG-TERM LIABILITIES					
SBITA liability	—	—	32,394	—	—
Notes payable	4,428,132	4,269,049	4,343,279	3,940,788	3,549,745
Bonds payable, net	10,400,989	10,145,989	9,867,728	9,579,468	9,281,207
Total long-term liabilities	<u>14,829,121</u>	<u>14,415,038</u>	<u>14,243,401</u>	<u>13,520,256</u>	<u>12,830,952</u>
Total liabilities	<u>15,881,762</u>	<u>15,483,155</u>	<u>15,689,751</u>	<u>15,249,941</u>	<u>14,830,981</u>
DEFERRED INFLOWS OF RESOURCES					
Pension related items	<u>186,523</u>	<u>120,749</u>	—	<u>34,696</u>	—
NET POSITION					
Net investment in capital assets	8,025,696	8,571,822	9,278,764	11,313,529	14,982,801
Restricted for debt service	549,883	552,385	561,475	561,475	310,171
Unrestricted	3,915,371	3,759,938	3,494,865	3,879,849	2,369,277
Total net position	<u>\$12,490,950</u>	<u>\$12,884,145</u>	<u>\$13,335,104</u>	<u>\$15,754,853</u>	<u>\$17,662,249</u>

Budget

The staff of the Authority prepares an annual operating budget for the System for management control purposes. Set forth below is the budget (prepared on a cash basis) for the fiscal year ending December 31, 2026.

REVENUES	
Water sales	\$3,796,360
Sewer sales	1,435,500
Connection fees	110,220
Service fees	455,895
Late fees & Penalties	194,183
Interest income	39,050
Other fees and charges	<u>17,849</u>
Total revenues	<u>\$6,049,057</u>
EXPENSES	
Water purchases	\$1,230,302
Pension Expense	6,000
Repairs and maintenance	550,000
Chemicals	173,000
Meters	170,000
Utilities	272,000
Administrative	226,492
Engineering	24,000
Professional services	81,224
Management fee	2,042,814
Interest Expense	<u>372,906</u>
Total Expenses	<u>\$5,148,718</u>
Estimated Income (Loss)	<u>\$898,467</u>

Historical and Forecasted Debt Service Coverage Ratios

The following table sets forth the historical long-term debt service coverage of the Authority for the last five fiscal years. Such information should be considered in conjunction with the information concerning the Authority and the System contained elsewhere in this Official Statement, including, but not limited to, the select historical financial information, the System operating data and the audited financial statements of the Authority.

	Fiscal Year Ended December 31,				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net Operating Income	\$713,349	\$619,004	\$541,021	\$668,834	\$366,752
Plus Depreciation	828,085	822,027	846,871	940,537	893,381
Plus Interest Income	<u>19,600</u>	<u>29,152</u>	<u>27,128</u>	<u>22,595</u>	<u>37,834</u>
Net Revenues Available for Debt Service	1,561,034	1,470,183	1,415,020	1,631,966	1,297,967
Actual Debt Service ⁽¹⁾	630,938	628,738	628,738	628,737	628,138
Coverage Ratio	2.47x	2.34x	2.25x	2.60x	2.07x
Total Debt Service ⁽²⁾	861,069	918,708	1,020,770	1,109,030	1,108,430
Total Coverage Ratio	1.81x	1.60x	1.39x	1.47x	1.17x

⁽¹⁾ Includes debt service on the Series 2017 Bonds, which are secured by a pledge of and lien on the Net Revenues.

⁽²⁾ Includes debt service on the Series 2017 Bonds and the GEFA Loans, which GEFA Loans are not secured by a pledge of or a lien on the Net Revenues. See "PLAN OF FINANCING – Debt Service Schedule."

The Authority has prepared a financial forecast of the System's net revenues available for debt service, for a period of ten years commencing with fiscal year 2026, based upon assumptions and estimates concerning future events and circumstances which the Authority believes to be reasonable. The Authority's financial forecast has been

examined and reported on by ESG Engineering, the Authority's consulting engineer. The forecasted Debt Service Coverage Ratios set forth below are derived from the financial forecast forming a part of the Engineer's Report prepared by the Engineers included as Appendix E to this Official Statement.

THE FINANCIAL FORECAST IS BASED SOLELY UPON ASSUMPTIONS MADE BY THE AUTHORITY, INCLUDING, WITHOUT LIMITATION, ASSUMPTIONS AS TO RATES FOR WATER AND SEWER SERVICE, STABILITY AND GROWTH OF THE CUSTOMER BASE, AND OPERATING EXPENSES. THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH SUCH ASSUMPTIONS, THAT UNCONTROLLABLE FACTORS WILL NOT AFFECT SUCH ASSUMPTIONS, OR THAT THE FORECASTED RESULTS WILL BE ACHIEVED. THE ACHIEVEMENT OF THE FINANCIAL FORECAST WILL BE AFFECTED BY ECONOMIC CONDITIONS AND OTHER UNCONTROLLABLE FACTORS AND IS DEPENDENT UPON THE OCCURRENCE OF FUTURE EVENTS WHICH CANNOT BE ASSURED. THUS, THE ACTUAL RESULTS ACHIEVED MAY VARY FROM THOSE FORECAST, AND SUCH VARIATIONS COULD HAVE AN ADVERSE EFFECT UPON THE SYSTEM'S NET REVENUES AVAILABLE FOR DEBT SERVICE. THE ASSUMPTIONS AND RATIONALE INCLUDED IN THE ENGINEER'S REPORT ARE AN INTEGRAL PART OF THE FORECAST. THE ENGINEER'S REPORT, INCLUDING ALL COMMENTS, ASSUMPTIONS, NOTES, AND DISCLAIMERS, SHOULD BE READ IN ITS ENTIRETY. See "ENGINEER'S REPORT" in Appendix F to this Official Statement.

Forecasted Debt Service Coverage Ratios*

	Years Ending December 31									
	<u>2026</u>	<u>2027</u>	<u>2028⁽²⁾</u>	<u>2029⁽²⁾</u>	<u>2030⁽²⁾</u>	<u>2031⁽²⁾</u>	<u>2032⁽²⁾</u>	<u>2033⁽²⁾</u>	<u>2034⁽²⁾</u>	<u>2035⁽²⁾</u>
Forecasted Net Revenues for Debt Service ⁽¹⁾	\$1,692,824	\$2,029,302	\$2,403,977	\$2,820,602	\$3,283,281	\$3,511,117	\$3,752,865	\$4,009,297	\$4,281,225	\$4,569,505
Forecasted Debt Service on Bonds*	\$627,138	\$1,045,324	\$1,049,976	\$1,047,776	\$1,050,176	\$1,046,976	\$1,046,776	\$1,050,838	\$1,048,976	\$1,046,788
Forecasted Debt Service Coverage Ratio on Bonds	2.70x	1.94x	2.29x	2.69x	3.13x	3.35x	3.59x	3.82x	4.08x	4.37x
Forecasted Debt Service on Bonds and GEFA Loans ^{(2)*}	\$1,085,291	\$1,389,138	\$1,537,315	\$1,737,508	\$1,942,302	\$2,135,209	\$2,132,735	\$2,136,797	\$2,072,854	\$2,063,793
Forecasted Debt Service Coverage on Bonds and GEFA Loans	1.56x	1.46x	1.56x	1.62x	1.69x	1.64x	1.76x	1.88x	2.07x	2.21x

⁽¹⁾ Net Revenues of the System plus (i) interest on revenue bonds and (ii) depreciation and amortization, and minus interest income earned on the Construction Fund held under the Bond Resolution.

⁽²⁾ Includes debt service on the Future GEFA Loans, to provide funds necessary, together with System Revenues, to fund the Future Capital Improvements in years 4-6 and years 7-10. See "PLAN OF FINANCING – The Series 2026 Project."

Capital Improvement Plan and Additional Debt

The Engineers have determined the need for an additional \$25,000,000 for Future Capital Improvements, as described in greater detail in the Series 2026 Engineering Report attached hereto as Appendix F. It is currently expected that the Future Capital Improvements illustrated in Years 4-6 will be funded with the proceeds of future GEFA Loans and System revenues. Except for the Future GEFA Loans, the Authority does not anticipate issuing any long-term debt within the next three fiscal years to fund the capital improvements recommended in the Series 2026 Engineering Report.

Insurance Coverage

The Authority maintains all insurance relating to the Authority's assets through the Association of County Commissioners of Georgia. Property and casualty (including equipment breakdown coverage) coverage is generally at replacement cost subject to per occurrence limits of \$5 million for earthquake and flood (and this coverage is provided for property in special hazard flood zones at increased deductibles) and is maintained on the major components of Authority assets. General liability insurance is also maintained by the Authority, with a coverage limit of \$3,000,000 for each occurrence. The deductible level for property and casualty and general liability coverage is \$1,000 per occurrence. The Authority also maintains coverage for excess liability for general liability, automobile liability and errors and omissions, crime coverage, employee benefits liability, law enforcement liability, public officials' liability, cyber, and automobile liability. Workers compensation insurance for all employees of the Authority is purchased through a fully-insured plan.

Under Georgia law, the defense of sovereign immunity is available to the Authority, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which liability insurance protection has been provided, but only to the extent of the liability insurance provided. The Authority, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the Authority in the exercise of its delegated powers. Although the matter is not entirely clear, the purchase of liability insurance may not constitute a waiver of sovereign immunity; however, if the purchase of insurance does constitute such a waiver, then the immunity is waived only to the extent of the insurance.

The Authority requires payment and performance surety bonds and builders' risk insurance of all contractors and subcontractors involved in construction related to the System. The Authority requires the surety bonds to be issued by surety firms listed on the U.S. Treasury-approved list and the builders' risk insurance to be in the amount of the contract sums.

THE CITY AND THE COUNTY

General

The County is located in the central portion of the State, approximately 75 miles southeast of Atlanta. The County has a total area of approximately 360 square miles and had an estimated population of 23,722 in 2025 (the most recent information available). Eatonton is the only municipality in the County and is the county seat. Eatonton had an estimated population of 6,749 in 2025 (the most recent information available).

Demographic Information

Population. Set forth below is the population of the City and the County for the census years 1990 through 2020 and an estimate as of July 1, 2025 (the most recent information available).

<u>Year</u>	<u>City</u>	<u>County</u>
1990	4,737	14,137
2000	6,989	18,812
2010	6,480	21,218
2020	6,307	22,047
2025	6,749	23,722

Source: U.S. Census Bureau, 1990, 2000, 2010 and 2020 U.S. Census, and U.S. Census Bureau, QuickFacts, July 1, 2025.

Population by Age. The estimated median age of the City and the County for the calendar year 2024 (the most recent information available) were 43.5 years and 47.8 years, respectively. The following table presents the estimated population by age for the City and the County for the calendar year 2024 (the most recent information available).

	<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
City	26.6%	27.0%	28.2%	18.3%
County	21.5	25.7	28.0	24.9

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates Program, 2024.

Population by Race. The following table presents estimated population by race for the City and the County for the calendar year 2024 (the most recent information available).

	<u>White⁽¹⁾</u>	<u>Black or African American⁽¹⁾</u>	<u>American Indian and Alaska Native</u>	<u>Asian⁽¹⁾</u>	<u>Native Hawaiian and Other Pacific Islander</u>	<u>Other⁽¹⁾</u>	<u>Two or More Races</u>	<u>Hispanic or Latino⁽²⁾</u>
City	35.5%	44.7%	0.7%	1.0%	0.5%	4.7%	12.8%	14.8%
County	65.6	22.0	0.2	2.2	0.3	1.8	7.9	7.2

⁽¹⁾ Includes persons reporting only one race and therefore does not account for 100% of the population.

⁽²⁾ Hispanics may be of any race, so also are included in applicable race categories.

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates Program, 2024.

Level of Education. The following table presents the estimated level of education of the population 25 years and over for the City and the County for the calendar year 2024 (the most recent information available).

	<u>City</u>	<u>County</u>
Less than 9 th grade	4.6%	4.6%
9 th to 12 grade, no diploma	12.0	8.8
High school graduate (including equivalency)	33.7	27.7
Some college, no degree	19.5	18.5
Associate degree	9.8	9.2
Bachelor's degree	12.9	20.8
Graduate or Professional degree	<u>7.5</u>	<u>10.4</u>
	<u>100.0%</u>	<u>100.0%</u>
Percent high school graduate or higher	83.4%	86.6%
Percent bachelor's degree or higher	20.4	31.1

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2024.

Commuting Characteristics. The following table presents the estimated percentages of the City's and the County's population employed at jobs located within the County and those employed at jobs located outside of the County for the calendar year 2024 (the most recent information available).

	<u>Inside the County</u>	<u>Outside the County</u>
Residents of the City Employed	61.0%	36.3%
Residents of the County Employed	51.0	46.8

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2024.

Economic Information

The following information is provided to give prospective investors an overview of the general economic condition in the County and in some cases the City. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the County or the Underwriter.

Personal Income. The following table reflects the total personal income (in thousands) (not adjusted for inflation) for the County, the State of Georgia and the United States for the calendar years 2020 through 2024 (the most recent information available for the County). Comparable information for the City is not available.

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2020	\$1,088,209	\$552,699,927	\$19,613,059,000
2021	1,210,983	607,184,310	21,484,168,000
2022	1,297,124	627,438,954	22,144,814,000
2023	1,386,834	663,930,890	53,577,208,000
2024	1,471,438	704,463,898	24,897,613,000

Source: United States Department of Commerce, Bureau of Economic Analysis.

Per Capita Income. The following table reflects the per capita income (in inflation-adjusted dollars) for the City, the County, the State of Georgia and the United States for the calendar years 2020 through 2024 (the most recent information available).

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2020	\$19,850	\$34,294	\$32,427	\$35,384
2021	25,423	38,351	34,516	37,638
2022	33,241	42,468	37,836	41,261
2023	29,061	42,671	39,525	43,289
2024	36,658	48,458	40,924	44,673

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2020-2024.

Poverty Levels. The following table reflects an estimate of the percentage of all people in the City, the County, the State and the United States with incomes lower than the poverty level for calendar years 2020 through 2024 (the most recent information available).

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2020	27.6%	18.7%	14.3%	12.8%
2021	20.8	17.7	13.9	12.6
2022	16.2	16.0	13.5	12.5
2023	16.5	18.6	13.5	12.4
2024	16.6	17.6	13.4	12.5

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2020-2024.

Household Income Distribution. The following table reflects the estimated income distribution of all households in the City and the County for the calendar year 2024 (the most recent information available). An estimate of the median household income for households in the City and the County for the calendar year 2024 were \$34,049 and \$52,910 respectively.

<u>Income</u>	<u>Percent of City Population</u>	<u>Percent of County Population</u>
Less than \$10,000	10.4%	6.1%
\$10,000 to \$14,999	11.7	5.0
\$15,000 to \$24,999	4.9	8.3
\$25,000 to \$34,999	24.9	15.1
\$35,000 to \$49,999	12.9	11.6
\$50,000 to \$74,999	13.4	19.1
\$75,000 to \$99,999	9.5	11.9
\$100,000 to \$149,999	9.8	13.4
\$150,000 to \$199,999	1.3	4.0
\$200,000 or more	<u>1.1</u>	<u>5.5</u>
	<u>100.0%</u>	<u>100.0%</u>

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2024.

Median Home Values. The following table reflects the median home value of owner occupied housing for the City, the County, the State and the United States for calendar years 2020 through 2024 (the most recent information available).

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State of Georgia</u>	<u>United States</u>
2020	\$ 86,900	\$165,800	\$190,200	\$229,800
2021	91,900	173,700	206,700	244,900
2022	137,500	203,300	245,900	281,900
2023	144,800	222,000	272,900	303,400
2024	167,400	249,300	303,300	332,700

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates Program, 2020-2024.

Banking Deposits. Set forth below are the number of banking institutions and the total amount of banking deposits (in thousands of dollars) on deposit in the County for the last five fiscal years ended June 30.

<u>Year</u>	<u>Institutions</u>	<u>Deposits</u>
2022	3	\$455,999
2023	2	422,536
2024	2	454,618
2025	2	525,780
2026	2	493,413

Source: Federal Depository Insurance Corporation.

Largest Employers. Set forth below are the 10 largest employers located in the County as of September 30, 2025. The type of business and the approximate number of employees are shown in the table. There can be no assurance that any employer listed below will continue to operate or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
1. Putnam County School System	Local Government	553
2. Putnam County Government	Local Government	227
3. Interfor	Forestry Products	153
4. Putnam General Hospital	Medical	145
5. Aalto Scientific/AUDIT MicroControls	Biotechnology	99
6. Cosmo Cabinets	Manufacturing	74
7. Gro Tec, Inc.	Farm Equipment/Supplies	69
8. Georgia Power	Utility	28
9. Manley MetalWorks	Manufacturer	24
10. Vizitech, USA	Immersive Learning	18

Source: Development Authority of Putnam County.

Labor Statistics. Set forth below are labor statistics for the County, the State and the United States for the past five calendar years and for the month of August 2026. Comparable information for the City is not available.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026⁽¹⁾</u>
County Labor Force	9,453	9,670	9,780	9,969	10,118	10,273
County Unemployment Rate	3.7%	3.3%	3.6%	3.7%	3.8%	3.7%
State Unemployment Rate	3.9	3.2	3.3	3.5	3.4	3.4
United States Unemployment Rate	5.3	3.6	3.6	4.0	4.3	4.3

⁽¹⁾ Reflects labor statistics for the month of August 2026 (preliminary).

Source: Georgia Department of Labor.

Building Permits Summary. The number of building permits (commercial and residential) issued in the County, including the City, during the last five years and the current year are set forth in the following table. The permits listed represent all new commercial and residential construction as well as renovations for the year in question

<u>Year</u>	<u>Number of Permits</u>
2021	2,503
2022	2,220
2023	1,771
2024	2,255
2025	2,310

Source: Putnam County Office of Planning and Development.

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Industry Mix. The following table sets forth an estimate of the industry mix within the County, based upon the average number of employees employed in the indicated industry covered by the State Trust Fund (unemployment insurance) for first quarter of 2026 (the most current information available). The estimates include persons employed on a job site in the County regardless of where they reside. Comparable information for the City is not available.

INDUSTRY	Average Number of Establishments	Average Monthly Employment
Goods-Producing	152	1,479
Agriculture, Forestry, Fishing & Hunting	17	243
Mining	1	*
Construction	103	477
Manufacturing	31	752
Service-Providing	438	3,370
Utilities	4	71
Wholesale Trade	23	175
Retail Trade	93	863
Transportation and Warehousing	23	155
Information	6	34
Finance and Insurance	27	129
Real Estate and Rental and Leasing	29	54
Professional Scientific & Technical Svc	43	122
Management of Companies and Enterprises	3	*
Admin., Support, Waste Mgmt, Remediation	49	365
Education Services	3	*
Health Care and Social Assistance	43	468
Arts, Entertainment, and Recreation	15	116
Accommodation and Food Services	41	559
Other Services (except Public Admin.)	36	175
Unclassified - industry not assigned	40	15
Total - Private Sector	630	4,864
Total - Government	30	1,498
Federal Government	5	65
State Government	13	*
Local Government	12	1,045
ALL INDUSTRIES	660	6,364

Note: *Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Figures in other columns may not sum accurately due to rounding. All data represent the first quarter of 2026.

Source: Georgia Department of Labor.

Category of Land Use

The following table reflects the categories of land use by acreage in the City and the County for the calendar year 2025.

<u>Land Type</u>	<u>City Percentage by Acreage⁽¹⁾</u>	<u>County Percentage by Acreage⁽¹⁾</u>
Agricultural	12.98%	12.30%
Commercial	6.81	1.66
Historical	0.01	0.001
Industrial	3.03	0.32
Forest Land Cons Use	16.70	22.92
Qualified Timberland	0.00	1.41
Residential	24.75	15.92
Utility	0.47	2.82
Conservation Use	35.25	36.17
Timber	0.00	6.46

⁽¹⁾ Percentages are based on the number of acres of real property set aside for each purpose.
Source: Georgia Department of Revenue Consolidated Digest Summary, 2025.

Education

Local Schools. Putnam County School District serves the County and the City. There are three total schools, including one elementary school, one middle school and one high schools. In addition, there are two private schools, one of which offers classes to children in grades K-5 and the other from K-12.

Higher Education. Central Georgia Technical College (the “College”) has a branch campus located in the City of Eatonton. The College offers technical certificates of credit in construction, allied health, welding, information technology, emergency medical services, etc. The College also provides custom training for specific businesses and industries. In addition, the College offers dual enrollment for students at Putnam County High School and offers both daytime and nighttime classes on its campus, as well as over 200 online classes.

Healthcare

The County has local healthcare, emergency services and respite care. Putnam General Hospital (the “Hospital”) has been in operation since 1968 and is a 25-bed critical access facility. The Hospital provides county-wide ambulance services and maintains fully equipped, advanced life support emergency vehicles. The county-funded ambulances also make emergency transfers to other cities when needed. The Hospital also offers physical therapy and cardiac rehabilitation services on site, as well as Lifeline, an emergency distress system. The Hospital provides 24-hour emergency care services and contracts with two helicopter services to fly patients to the nearest trauma or cardiac hospital for care, including Emory University Hospital in Atlanta and August University Medical Center in Augusta.

In addition to the Hospital, a wide range of health care specialties are offered at Cowles Clinic at nearby Lake Oconee, which offers a broad range of specialties focused on complete health evaluation, early detection, prevention and treatment of disease for all ages. The primary or satellite offices of 36 medical specialties, and over 60 physicians, are located on the 13-acre campus. Medical College of Georgia Medical Associates is also located at Lake Oconee. The Putnam County Health Department located in the City of Eatonton offers services to the community such as low-cost immunizations, cancer screening, family planning and mental health counseling and referrals. The Eatonton Health Care Center is a 104-bed nursing home with rehabilitative services and long-term care.

BONDHOLDERS' RISKS

General

The purchase of the Series 2026 Bonds involves special risks and the Series 2026 Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Series 2026 Bonds and could affect the market price of the Series 2026 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the Series 2026 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Limited Obligations

General. The Series 2026 Bonds constitute special, limited obligations of the Authority. The Series 2026 Bonds do not constitute a general obligation of the Authority, and the Authority has no taxing power. Owners of the Series 2026 Bonds may not look to any Authority funds or accounts other than those specifically pledged by the Authority to the payment of the Series 2026 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS.”

Loss of System Revenues. The Series 2026 Bonds are secured by and payable solely from a first lien on and pledge of the Net Revenues of the System and from moneys on deposit in certain funds and accounts created pursuant to the Resolution. If the System, or any material portion thereof, were to become inoperable due to damage, destruction, or environmental restriction or if the Authority should lack raw water or lack treatable water due to contamination, drought or catastrophe, the Authority may be unable to generate adequate revenues of the System. In the event that the operating revenues at any time are not sufficient to make such payments and deposits, the Authority covenants in the Resolution that it will increase such rates, fees, tolls, and charges to an extent which will ensure such payments and deposits (the “Rate Covenant”). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Rate Covenant”

No Mortgage Secures the Series 2026 Bonds. The payment of the Series 2026 Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the Authority, except for the Net Revenues. No real or personal property of the Authority, shall be liable to be forfeited or taken in payment of the Series 2026 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS.”

Additional Bonds

Under the Resolution, the Authority is permitted to issue Additional Bonds on a parity with the lien of the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 BONDS – Additional Bonds.” Debt service on all Additional Bonds of the Authority will be payable from Net Revenues on a pro-rata basis. Accordingly, to the extent that future obligations are issued on a parity with the lien of the Bonds, the security for the Bonds may be diluted.

Factors That May Cause Insufficiency of Expected Revenues

General. The generation of Net Revenues is dependent upon several factors outside the Authority’s control, such as the economy, collections of water and wastewater service charges and tap fees, continued growth (or lack thereof), and changes in law. It is impossible to predict whether current economic conditions will continue or worsen or to predict how future conditions will affect the operation of the System or the Authority’s finances in general. The following factors, among others, may impact the generation of Net Revenues in the future.

Payment on the Series 2026 Bonds is dependent upon the generation of sufficient Net Revenues of the System. If the System becomes inoperable due to damage, destruction, environmental restriction or for any other reason, if the Authority should lack raw water or lack treatable water due to contamination, lack of adequate supply

to serve existing customers, drought or for any other reason, if the Authority has inadequate storage or transmission facilities, if the Authority is unable to increase rates and charges for any reason or if the Authority incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, the Authority may be unable to generate adequate revenues from the System to pay debt service on the Series 2026 Bonds (subject to the requirement that the Authority must subsequently raise rates if necessary to satisfy the Rate Covenant).

Water Quality and Environmental Requirements. The System is subject to numerous federal and State regulatory requirements. Those regulations are subject to change at any time. Public drinking water systems like the System are regulated by the Environmental Protection Agency and the EPD, and the EPD has the authority to enforce drinking water quality standards. Water quality standards imposed by the federal government or the State may affect the water available to the Authority and implementation of those standards or enforcement by the EPD could result in increased costs associated with water treatment operations of the Authority. In addition, failure to comply with regulatory changes, or the inability to comply with them in a timely manner could cause portions of the System to become unavailable. Any disruption of service could negatively impact Net Revenues.

In operating the System, the Authority also may be subject to various environmental regulations that could subject the Authority to increased operating costs or capital expenditures. Such risks include the use of hazardous materials in the water treatment process and the disposal of such materials, the occurrence of upstream events that could cause contamination of the Authority's water sources, or other factors. Such increased costs could reduce the amount of Net Revenues available to pay debt service on the Series 2026 Bonds.

Drought. In recent years, the State has experienced drought conditions. Continued, or more severe, watering limitations or increased conservation measures could reduce the amount of water treated and sold by the Authority and therefore could reduce the Net Revenues generated by the System. Further, although the Authority may increase rates and charges without restriction in response to lower usage, it is not possible to predict at this time whether any rate increases can or will be implemented in time to pay debt service on the Bonds in any given fiscal year.

Cybersecurity. Despite the implementation of network security measures by the Authority, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. State and local governments have recently been subject to such attacks.

The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the Authority's ability to collect Net Revenues. Any breach or cyberattack that compromises data could result in negative press. Despite efforts of the Authority, no assurances can be given that the Authority's measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the System.

Secondary Market

There is no guarantee that a secondary market for the Series 2026 Bonds will be maintained. Thus, owners of Series 2026 Bonds should be prepared to hold their Series 2026 Bonds to maturity.

Changes in Law

Various federal and State laws and constitutional provisions apply to the imposition, collection, and expenditure of the Net Revenues and the operation of the System and the Authority. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the System, the affairs of the Authority and the imposition, collection, and expenditure of the Net Revenues.

No Trustee

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the applicable Resolution on behalf of the Bondholders, and therefore the Bondholders should be prepared to enforce such provisions themselves if the need to do so ever arises.

LEGAL MATTERS

Litigation

General. The Authority, like other similar governmental bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Authority is not a party to any litigation relating to or arising from the ownership or operation of the System. The Authority, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Authority, or its officials in such capacity, are adequately covered by insurance or will not have a material adverse effect upon the financial position of the Authority.

Series 2026 Bonds. There is no controversy or litigation of any nature now pending against the Authority restraining or enjoining the issuance or delivery of the Series 2026 Bonds, the pledge of the Net Revenues to secure the Series 2026 Bonds or the use of proceeds of the Series 2026 Bonds, or which questions or contests the validity of the Series 2026 Bonds or the proceedings and the authority under which they are issued and secured. There is no litigation pending which in any manner questions the power of the Authority to issue the Series 2026 Bonds and to secure the Series 2026 Bonds in accordance with the provisions of the Resolution by the pledge of the Net Revenues, nor is there now pending any litigation which in any manner questions or contests the creation, organization or existence of the Authority.

Tax Exemption

Generally. Legal matters incident to the authorization, validity, and issuance of the Series 2026 Bonds are subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel, which will be delivered contemporaneously with the delivery of the Series 2026 Bonds in substantially the form attached to this Official Statement as APPENDIX B. Copies of such opinion will be available at the time of the initial delivery of the Series 2026 Bonds.

Federal Taxes. In the opinion of Murray Barnes Finister LLP, Bond Counsel, under existing statutes, rulings and court decisions, and assuming compliance by the City with certain tax covenants, interest on the Series 2026 Bonds (including any original issue discount properly allocable to a holder of the Series 2026 Bonds) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. Except as provided below with respect to bank qualification and original issue discount, no opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on, or the ownership of, the Series 2026 Bonds.

Ownership of the Series 2026 Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2026 Bonds. Purchasers of the Series 2026 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

In concluding that the interest on the Series 2026 Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (a) rely as to certain factual matters upon certificates and certified proceedings of public officials, including officials of the Authority, and representations of the Authority (including

representations as to the use and investment of the proceeds of the Series 2026 Bonds and the Refunded Bonds), without undertaking to verify the same by independent investigation and (b) assume continued compliance by the Authority with its covenants relating to the use of the proceeds of the Series 2026 Bonds and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to, the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the related Series 2026 Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of such Series 2026 Bonds.

Bank Qualification. The Series 2026 Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Discount. In the opinion of Bond Counsel, under existing statutes, rulings and court decisions and under applicable regulations, any original issue discount in the selling price of a Series 2026 Bond, to the extent properly allocable to a holder of such Series 2026 Bond, is excludable from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of such Series 2026 Bond over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Series 2026 Bond was sold.

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a constant yield to maturity basis. The amount of the original issue discount that accrues to an owner of a discount bond who acquires such discount bond during any accrual period generally equals (a) the issue price of such discount bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (b) the yield to maturity of such discount bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (c) any interest payable on such discount bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in a discount bond for the purpose of determining gain or loss upon a subsequent sale, exchange, payment, or redemption. Any gain realized by an owner from a sale, exchange, payment, or redemption of a discount bond would be treated as gain from the sale or exchange of such discount bond.

The foregoing is a general discussion of original issue discount. Purchasers of discount Series 2026 Bonds should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal income tax purposes and with respect to state and local tax consequences of owning such discount Series 2026 Bonds.

Original Issue Premium. An amount equal to the excess of the purchase price of a Series 2026 Bonds over its stated redemption price at maturity constitutes premium on such Series 2026 Bond. A purchaser of a Series 2026 Bond must amortize any premium over such Series 2026 Bond’s term using constant yield principles, based on the Series 2026 Bond’s yield to maturity. As premium is amortized, the purchaser’s basis in such Series 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Series 2026 Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed.

The foregoing is a general discussion of certain federal income tax consequences of original issue premium and does not purport to deal with all tax questions that may be relevant to particular investors or circumstances. Purchasers of any Series 2026 Bond at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Series 2026 Bonds.

State of Georgia Taxes. In the opinion of Bond Counsel, under existing law, interest on the Series 2026 Bonds is exempt from present state income taxation within the State of Georgia. Interest on the Series 2026 Bonds may or may not be subject to state or local income taxation in jurisdictions other than the State of Georgia. Each purchaser of the Series 2026 Bonds should consult his or her own tax advisor regarding the tax-exempt status of interest on the Series 2026 Bonds in a particular state or local jurisdiction other than the State of Georgia.

Validation

In accordance with the procedures set forth in the Revenue Bond Law, the Bonds were validated by order of the Superior Court of Putnam County on March 24, 2026.

MISCELLANEOUS

Ratings

The Series 2026 Bonds have been assigned a rating of “AA” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”), based upon the issuance of the Policy by BAM. The Series 2026 Bonds have been assigned an underlying rating of “A2” by Moody’s Investor’s Services, Inc. (“Moody’s”) without regard to the issuance of the Policy. Any desired explanation of the significance of such ratings should be obtained from S&P and/or Moody’s. Generally, rating agencies base their ratings on the information and materials furnished to the agencies and on investigations, studies and assumptions by such agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The Authority and the Underwriter have not undertaken any responsibility to oppose any such proposed revision, suspension or withdrawal. Any such change in or withdrawal of either of the ratings could have an adverse effect on the market price of the Series 2026 Bonds.

Engineers

The Series 2026 Engineering Report has been prepared by the Engineers and has been included herein in reliance upon the fact that the Engineers are experts.

Underwriting

Raymond James & Associates, Inc. (the “Underwriter”), has agreed, subject to certain conditions, to purchase all but not less than all of the Series 2026 Bonds at a purchase price of \$_____ (representing par, plus [net] original issue premium of \$_____, less an underwriting discount of _____). The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may also allow a concession from the public offering prices to certain dealers and others.

Independent Certified Public Accountants

The general purpose financial statements of the Authority for the fiscal year ended December 31, 2025, attached hereto as part of Appendix A, have been audited by McNair, McLemore, Middlebrooks & Co., LLC, to the extent and for the period indicated in its report thereon, which appears in Appendix A. Such financial statements have been included herein in reliance upon the report of McNair, McLemore, Middlebrooks & Co., LLC. McNair, McLemore, Middlebrooks & Co., LLC has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. McNair, McLemore, Middlebrooks & Co., LLC also has not performed any procedures relating to this Official Statement.

Additional Information

Use of the words “shall” or “will” in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Further, certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements.” These types of statements are generally identifiable

by the terminology used such as “plan,” “expect,” “estimate,” “budget,” “forecast,” “project” or similar words. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2026 Bonds.

AUTHORIZATION OF OFFICIAL STATEMENT

The Authority has duly authorized the execution and delivery of this Official Statement as of the date shown on the cover page.

EATONTON-PUTNAM WATER AND SEWER AUTHORITY

By: _____
Chairman

APPENDIX A

**Audited Financial Statements of the Authority
For the Fiscal Year Ended December 31, 2025**

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**EATONTON-PUTNAM
WATER AND SEWER AUTHORITY**

**FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2025 AND
INDEPENDENT AUDITOR'S REPORT**

**EATONTON-PUTNAM
WATER AND SEWER AUTHORITY**

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June 23, 2026

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Eatonton-Putnam Water and Sewer Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of **Eatonton-Putnam Water and Sewer Authority** (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the Authority as of December 31, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *GAS* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on financial statements.

In performing an audit in accordance with GAAS and *GAS*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the net pension (asset) liability and related ratios (on page 21), the schedule of authority contributions (on page 22), and the notes to the required supplementary information (on page 23) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 23, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

McNair, McLeMore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

FINANCIAL SECTION

EATONTON-PUTNAM WATER AND SEWER AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

ASSETS

Current Assets

Cash	\$ 1,060,016
Accounts Receivable, Net	627,250
Intergovernmental Receivable	248,376
Prepaid Expenses	303,137
Restricted Cash	<u>115,171</u>

Total Current Assets	<u>2,353,950</u>
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Noncurrent Assets

Investments	607,240
Restricted Investments	395,000
Net Pension Asset	<u>424,935</u>

1,427,175

Capital Assets

Land	111,899
Construction in Progress	5,576,996
Buildings	37,533
Infrastructure	37,638,432
Vehicles	585,979
Furniture, Fixtures and Equipment	1,500,443
SBITA Right-To-Use Asset	<u>161,948</u>

45,613,230

Less Accumulated Depreciation	<u>(16,934,410)</u>
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Total Capital Assets, Net of Accumulated Depreciation	<u>28,678,820</u>
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Total Noncurrent Assets	<u>30,105,995</u>
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Total Assets	<u>32,459,945</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Pensions	<u>\$ 33,285</u>
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See accompanying notes which are an integral part of these financial statements.

EATONTON-PUTNAM WATER AND SEWER AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2025

LIABILITIES

Current Liabilities

Accounts Payable	\$ 126,499
Due to Other Governments	544,199
Accrued Expenses and Other Liabilities	60,559
Retainage Payable	189,023
Notes Payable	391,044
Bonds Payable	<u>285,000</u>

1,596,324

Payable from Restricted Assets
Customer Deposits Payable

403,705

Total Current Liabilities

2,000,029

Long-Term Liabilities

Notes Payable	3,549,745
Bonds Payable, Net	<u>9,281,207</u>

Total Long-Term Liabilities

12,830,952

Total Liabilities

14,830,981

NET POSITION

Net Investment in Capital Assets	14,982,801
Restricted for Debt Service	310,171
Unrestricted	<u>2,369,277</u>

\$ 17,662,249

See accompanying notes which are an integral part of these financial statements.

EATONTON-PUTNAM WATER AND SEWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

Operating Revenues	
Water Sales	\$ 3,708,722
Sewer Sales	1,478,481
Connection Fees	95,442
Late Fees	192,034
Other Fees and Charges	409,245
	<u>5,883,924</u>
Operating Expenses	
Water Purchases	1,028,045
Pension Expense	(75,354)
Repairs and Maintenance	1,078,107
Utilities	268,596
Administrative and Engineering	235,066
Professional Services	119,614
Management Fees	1,964,240
Bad Debt Expense	5,477
Depreciation and Amortization	893,381
	<u>5,517,172</u>
Operating Income	<u>366,752</u>
Nonoperating Revenues (Expenses)	
Intergovernmental	1,924,760
Interest Income	37,834
Interest Expense and Fiscal Charges	(421,950)
	<u>1,540,644</u>
Change in Net Position	1,907,396
Net Position, Beginning of Year	<u>15,754,853</u>
Net Position, End of Year	<u><u>\$ 17,662,249</u></u>

See accompanying notes which are an integral part of these financial statements.

EATONTON-PUTNAM WATER AND SEWER AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows from Operating Activities

Receipts from Customers and Users	\$ 6,577,000
Payments to Suppliers and Service Providers	(4,754,933)
Payments to Employees	(4,789)
	<u>1,817,278</u>

Cash Flows from Capital and Related Financing Activities

Purchases of Capital Assets	(3,972,263)
Proceeds from Disposal of Capital Assets	23,717
Principal Payments on Long-Term Borrowings	(677,490)
Interest Paid on Long-Term Borrowings	(421,950)
Capital Grants and Contributions	1,924,760
	<u>(3,123,226)</u>

Cash Flows from Investing Activities

Interest Received	37,834
Redemption of Certificate of Deposit	750,401
	<u>788,235</u>

Net Decrease in Cash

Cash, Beginning of Year

Cash, End of Year

Classified As

Cash	\$ 1,060,016
Restricted Cash	115,171
	<u>\$ 1,175,187</u>

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities

Operating Income	\$ 366,752
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation and Amortization	880,120
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows	
Increase in Accounts Receivable	383,989
Increase in Intergovernmental Receivable	235,029
Decrease in Prepaid Expenses	(240,260)
Decrease in Net Pension Asset	(16,891)
Decrease in Deferred Outflows of Resources Related to Pensions	(28,556)
Decrease in Accounts Payable and Accrued Expenses	(314,073)
Increase in Due to Other Governments	544,199
Increase in Customer Deposits	74,058
Decrease in SBITA Liability	(32,393)
Decrease in Deferred Inflows of Resources Related to Pensions	(34,696)
	<u>\$ 1,817,278</u>

See accompanying notes which are an integral part of these financial statements.

EATONTON-PUTNAM WATER AND SEWER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Reporting Entity

The Eatonton-Putnam Water and Sewer Authority (the Authority) was duly created under the Acts of the General Assembly of the State of Georgia in 2005. The enabling legislation charged the Authority with ownership, management, implementation, and operation of a consolidated water, stormwater, and sewer system encompassing the City of Eatonton, Georgia and unincorporated areas of Putnam County, Georgia. The Authority currently serves approximately 5,000 water customers and 1,800 sewer customers. Related services include waste treatment, maintenance of water and sewer lines, and installation of new water and sewer lines. The Authority is governed by a five-member Board of Directors, which includes the Mayor of the City of Eatonton (or his designee), the Chairperson of the Board of Commissioners of Putnam County (or his designee), a member appointed by the City, a member appointed by the Authority and an at large member appointed by the four other Board members. The Mayor of the City of Eatonton and Chairperson of the Board of Commissioners of Putnam County alternate years serving as Chairperson of the Authority.

The Authority began operations on May 1, 2007, with the consolidation of the existing water and wastewater systems and the respective operations of the City of Eatonton and Putnam County. In September 2007, the Authority acquired certain systems and water service operations previously owned and managed by Piedmont Water Company, which are located in the unincorporated portions of Putnam County. The first full year of operations of the Authority was 2008. The Authority is not a component unit of the County or City.

Fund Accounting

The Authority uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in this report is a Proprietary Fund Type - Enterprise Fund. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred, and/or operating income is necessary for management accountability.

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the statement of net position. Net position is segregated into net investment in capital assets and restricted and unrestricted net position components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus (Continued)

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles in the United States (U.S. GAAP). Component units generally are legally separate entities for which a primary government is financially accountable. There are no entities which meet the criteria for inclusion in the Authority's financial statements as component units.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Authority.

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with an original maturity date of three months or less to be cash equivalents. The Authority's investments are certificates of deposit and are stated at cost.

Customer Accounts Receivable

Customer accounts receivable includes billed but uncollected amounts and unbilled receivables based upon a pro rata amount of subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Prepays

Payments made to vendors for services that will benefit periods beyond December 31, 2025, are recorded as prepaid expenses. The consumption method is used by recording an asset for the prepaid amount and by recording the expense in the year in which services are consumed.

Restricted Assets

Certain resources set aside as required by covenants and conditions of the Authority's long-term liabilities are classified as restricted assets on the statement of net position because their use is limited by applicable covenants. Amounts held by the Authority for customer deposits are also considered to be restricted.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year, are carried at cost if purchased or acquisition value if donated. These assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	12
Infrastructure	10-50
Machinery and Equipment	3-25
Vehicles	3-5
Right-To-Use Subscription Assets	Lesser of subscription term or remaining estimated useful life

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Right-to-use assets resulting from subscription-based information technology (IT) arrangements (SBITAs) are measured at the present value of the expected subscription payments over the subscription term (the initial subscription liability), plus vendor payments made at the start of the subscription term, plus capitalizable initial implementation costs, minus incentives received at the start of the subscription term.

Capital Contributions

Capital contributions consist of capital grants or contributions from developers, customers, and other governmental entities.

Operating and Nonoperating Revenues and Expenses

Operating revenues and expenses in the financial statements are those that result from providing services and producing and delivering goods and/or services. Also included are all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(1) Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

The Authority has deferred outflows of resources related to the recording of changes in its net pension asset. Certain changes in the net pension asset are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the Authority's actuary which adjust the net pension asset for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension asset are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, any contributions made by the Authority to the pension plan before year-end but subsequent to the measurement date of the Authority's net pension asset are reported as deferred outflows of resources.

Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Eatonton-Putnam Authority Water and Sewer Authority Retirement Plan (the Retirement Plan), and additions to/deductions from the Retirement Plan's fiduciary net position have been determined on the same basis as they are reported by the Retirement Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Classification

Net position is classified and displayed in three components within the statement of net position. These three classifications are as follows:

1. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position consists of net position with constraints placed on the use, either by: (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

(2) Deposits and Investments

Total deposits and investments as of December 31, 2025, are summarized as follows:

Cash	\$ 1,060,016
Investments, Noncurrent	607,240
Restricted	
Cash	115,171
Investments, Noncurrent	<u>395,000</u>
	<u><u>\$ 2,177,427</u></u>

Credit Risk - State statutes authorize the Authority to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Interest Rate Risk - The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk Deposits - Custodial credit risk for deposits, including certificates of deposit, is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority does not have a policy regarding management of custodial risk for deposits or investments. As of December 31, 2025, all of the Authority's funds which were uninsured were collateralized as required by the Official Code of Georgia Annotated §45-8-12(c) and as defined by GASB pronouncements.

At December 31, 2025, the Authority had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificate of Deposit	March 20, 2029	\$ 195,000
Certificate of Deposit	November 12, 2028	200,000
Certificate of Deposit	March 20, 2029	348,781
Certificate of Deposit	November 12, 2028	<u>258,459</u>
		<u><u>\$ 1,002,240</u></u>

(3) Accounts Receivable

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following at December 31, 2025:

Receivables	
Accounts	
Billed Accounts Receivable	\$ 590,340
Unbilled Accounts Receivable	<u>180,769</u>
Gross Receivables	771,109
Less Allowance for Uncollectibles	<u>(143,859)</u>
Net Accounts Receivable	<u><u>\$ 627,250</u></u>

The allowance is determined based on a systematic review of historical collection experience and aging of receivables.

(4) Capital Assets

Capital asset activity for the year ended December 31, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 101,899	\$ 10,000	\$ -	\$ 111,899
Construction in Progress	<u>2,183,696</u>	<u>3,485,925</u>	<u>(92,625)</u>	<u>5,576,996</u>
	<u>2,285,595</u>	<u>3,495,925</u>	<u>(92,625)</u>	<u>5,688,895</u>
Capital Assets Being Depreciated				
Infrastructure	37,267,678	370,754	-	37,638,432
Land Improvements	18,405	-	(18,405)	-
Buildings	37,533	-	-	37,533
Furniture, Fixtures and Equipment	1,518,676	18,998	(37,231)	1,500,443
Vehicles	439,385	179,211	(32,617)	585,979
SBITA Right-To-Use Asset	<u>161,948</u>	<u>-</u>	<u>-</u>	<u>161,948</u>
	<u>39,443,625</u>	<u>568,963</u>	<u>(88,253)</u>	<u>39,924,335</u>
Less Accumulated Depreciation for				
Infrastructure	(14,939,023)	(699,545)	-	(15,638,568)
Land Improvements	(720)	-	720	-
Buildings	(29,416)	(901)	-	(30,317)
Furniture, Fixtures and Equipment	(778,360)	(106,881)	37,231	(848,010)
Vehicles	(293,258)	(32,071)	26,585	(298,744)
SBITA Right-To-Use Asset	<u>(64,788)</u>	<u>(53,983)</u>	<u>-</u>	<u>(118,771)</u>
	<u>(16,105,565)</u>	<u>(893,381)</u>	<u>64,536</u>	<u>(16,934,410)</u>
Total Capital Assets Being Depreciated, Net	<u>23,338,060</u>	<u>(324,418)</u>	<u>(152,789)</u>	<u>22,989,925</u>
	<u><u>\$ 25,623,655</u></u>	<u><u>\$ 3,171,507</u></u>	<u><u>\$ (245,414)</u></u>	<u><u>\$ 28,678,820</u></u>

Depreciation and amortization expense of \$893,381 was charged to operations for the year ended December 31, 2025.

(5) Long-Term Debt

Long-term debt activity for the year ended December 31, 2025, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
SBITA Liability	\$ 32,394	\$ -	\$ (32,394)	\$ -	\$ -
Notes Payable	4,343,279	-	(402,490)	3,940,789	391,044
Revenue Bonds	9,555,000	-	(275,000)	9,280,000	285,000
Plus Unamortized Premium	299,468	-	(13,261)	286,207	-
Revenue Bonds, Net	9,854,468	-	(288,261)	9,566,207	285,000
Total Long-Term Liabilities	<u>\$ 14,230,141</u>	<u>\$ -</u>	<u>\$ (723,145)</u>	<u>\$ 13,506,996</u>	<u>\$ 676,044</u>

Subscription-Based Information Technology Arrangement Liability

The Authority entered into a subscription-based information technology arrangement (SBITA) for remotely available software licenses and cloud-based data storage. The related SBITA obligation is presented in an amount equal to the present value of the future SBITA payments, payable during the remaining SBITA term. The Authority recognizes a SBITA liability and the associated right-to-use subscription asset on the statement of net position. The SBITA liability was paid off during 2025.

Notes Payable- Georgia Environmental Finance Authority Loans

The Authority has also incurred debt to the Georgia Environmental Finance Authority (GEFA) for construction of various water and sewer system projects. Loan numbers 2002-LE37WQ and 2004-L12WS were assumed through contractual agreements with the City of Eatonton. Loan number 2005-L12WS was assumed through a contractual agreement with Putnam County.

GEFA requires the Authority to maintain a debt service coverage ratio of 1.05. As of December 31, 2025, this requirement has been met.

Details of all notes are as follows at December 31, 2025:

GEFA Loan	Loan Date	Interest Rate	Term	Due Date	Amount
2002-LE37WQ	April 1, 2007	3.37%	20 Years	2027	\$ 72,376
2004-L12WS	November 1, 2007	3.84%	20 Years	2027	97,775
2005-L12WS	October 1, 2006	4.20%	20 Years	2026	55,799
DW09016	May 1, 2011	3.00%	20 Years	2031	41,645
DWSRF11010	January 1, 2014	1.13%	20 Years	2034	533,471
CW2016032	March 1, 2019	1.79%	20 Years	2039	3,139,723
					<u>\$ 3,940,789</u>

(5) Long-Term Debt (Continued)**Notes Payable- Georgia Environmental Finance Authority Loans (Continued)**

The Authority's notes payable debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 391,044	\$ 67,109	\$ 458,153
2027	284,855	58,928	343,783
2028	230,596	54,438	285,034
2029	234,425	50,520	284,945
2030	238,318	46,627	284,945
2031-2035	1,076,548	176,615	1,253,163
2036-2040	945,211	91,942	1,037,153
2041-2043	539,792	13,387	553,179
	<u>\$ 3,940,789</u>	<u>\$ 559,566</u>	<u>\$ 4,500,355</u>

Bonds Payable

On August 8, 2017, the Authority issued \$11,250,000 in Revenue Refunding Bonds with interest rates ranging from 3.00 percent to 4.00 percent. The proceeds were used to pay off two prior USDA Notes in the amount of \$11,720,971. The issuance resulted in a premium of \$397,817 and pre-paid insurance of \$55,909, which are both being amortized over the life of the new bonds. Bond issuance costs totaled \$268,612 and were expensed during the year of issuance.

The Authority's bonds payable debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 285,000	\$ 342,137	\$ 627,137
2027	295,000	333,587	628,587
2028	305,000	324,738	629,738
2029	315,000	312,538	627,538
2030	330,000	299,937	629,937
2031-2035	1,815,000	1,324,163	3,139,163
2036-2040	2,175,000	975,650	3,150,650
2041-2045	2,590,000	550,600	3,140,600
2046-2047	1,170,000	70,400	1,240,400
	<u>\$ 9,280,000</u>	<u>\$ 4,533,750</u>	<u>\$ 13,813,750</u>

(6) Defined Benefit Pension Plan

Plan Description

The Authority, as authorized by the Board of Directors, has established a noncontributory defined benefit pension plan (the Retirement Plan), covering substantially all of the Authority's employees. The Retirement Plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Retirement Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Retirement Plan whereby retirees receive between 1.00 percent and 1.75 percent multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The Board of Directors, in its role as the Retirement Plan sponsor, has the governing authority to establish and amend, from time to time, the benefits provided and the contribution rates of the Authority and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Plan Membership - Effective March 1, 2020, all employees of the Authority were terminated due to a contract change and there were no current active plan members as of July 1, 2025. Pension plan membership as of July 1, 2025, consisted of the following:

Retired Participants and Beneficiaries	6
Vested Former Participants	<u>9</u>
	<u><u>15</u></u>

Contributions - The Retirement Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the Retirement Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Retirement Plan. The funding policy for the Retirement Plan, as adopted by the Board of Directors, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the Board of Directors. The Authority's contributions to the Retirement Plan were \$4,788 for the year ended December 31, 2025.

Net Pension Asset of the Authority

The Authority's net pension asset was measured as of March 31, 2025. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2025, with updated procedures performed by the actuary to roll forward to the total pension asset measured as of March 31, 2025.

(6) Defined Benefit Pension Plan (Continued)

Net Pension Asset of the Authority (Continued)

Actuarial Assumptions - The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.25 Percent

Salary Increases 2.75 Percent Plus Service-Based Merit Increases

Investment Rate of Return 7.375 Percent, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the July 1, 2025 valuation was based on the results of an actuarial experience study for the period January 1, 2015 - June 30, 2019. Cost of living adjustments were assumed to be 0.00 percent in the July 1, 2025, valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2024, are summarized in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	45%	6.60%
International Equity	20%	7.03%
Global Fixed Income	5%	3.70%
Domestic Fixed Income	20%	2.70%
Real Estate	10%	3.40%
Cash	0%	
	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension asset was 7.375 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension asset.

(6) Defined Benefit Pension Plan (Continued)**Net Pension Asset of the Authority (Continued)**

Changes in the Net Pension (Asset) Liability of the Authority - The changes in the components of the net pension (asset) liability of the Authority for the year ended December 31, 2025, were as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension (Asset) Liability
Balance, December 31, 2024	<u>\$ 747,361</u>	<u>\$ 1,155,405</u>	<u>\$ (408,044)</u>
Changes for the Year			
Interest	53,493	-	53,493
Difference Between Expected and Actual Experience	(10,272)	-	(10,272)
Contributions-Employer	-	5,680	(5,680)
Net Investment Income	-	59,682	(59,682)
Benefit Payments Including Refunds of Employee Contributions	(44,055)	(44,055)	-
Administrative Expense	-	(5,250)	5,250
	<u>(834)</u>	<u>16,057</u>	<u>(16,891)</u>
Balance, December 31, 2025	<u>\$ 746,527</u>	<u>\$ 1,171,462</u>	<u>\$ (424,935)</u>

The required schedule of changes in the Authority's net pension (asset) liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension (asset) liability.

Sensitivity of the net pension (asset) liability to changes in the discount rate. The following presents the net pension (asset) liability of the Authority, calculated using the discount rate of 7.375 percent, as well as what the Authority's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375 percent) or 1-percentage-point higher (8.375 percent) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Authority's Net Pension (Asset) Liability	<u>\$ (335,763)</u>	<u>\$ (424,935)</u>	<u>\$ (499,796)</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of March 31, 2025, and the current sharing pattern of costs between employer and employee.

(6) Defined Benefit Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2025, the Authority recognized pension expense of \$(75,354). At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 29,454	\$ -
Contributions Subsequent to Measurement Date	<u>3,831</u>	<u>-</u>
	<u><u>\$ 33,285</u></u>	<u><u>\$ -</u></u>

Authority contributions subsequent to the measurement date of \$3,831 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension asset in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2026	\$ 20,684
2027	18,187
2028	(14,201)
2029	<u>4,784</u>
	<u><u>\$ 29,454</u></u>

(7) Risk Management

Predominant exposure for losses lies in the areas of liability and property damage or theft. These risks are mitigated through participation with other Georgia governments, in a risk sharing arrangement. The Authority is a member of the Association of Authority Commissioners of Georgia (ACCG) Interlocal Risk Management Agency and the ACCG Group Self Insurance Worker's Compensation Fund. These are public entity risk pools, currently operating as common risk management and insurance programs for member local governments. Through its participation in these risk pools, the Authority addresses potential losses resulting from torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

As a member, the Authority is obligated to pay all contributions and assessments as prescribed by the pools: to cooperate with the pool's agents and attorneys; to follow loss reduction procedures established by the pools; and to report, promptly and in accordance with coverage descriptions, all incidents which could result in the funds being required to pay any claim of loss. The member is also to allow the pool's agents and attorneys to represent it in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the member which falls within the scope of loss protection furnished by the funds.

(7) Risk Management (Continued)

The funds are to defend and protect the members against liability of loss as prescribed in the member government contract and in accordance with the worker's compensation law of the State of Georgia. The funds are to pay all costs taxed against the members in any legal proceeding defended by the member, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

During the past three years, there have been no settled claims that have exceeded coverages.

(8) Contingent Liabilities

Grants - The Authority has received federal grants for specific purposes. These are subject to review and audit by the grantor agency or its designee. Such an audit could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Authority management believes such disallowances, if any, are unlikely and will be immaterial.

Litigation - In the opinion of the Authority's attorney and Authority management, there are no pending cases which will have a material effect on the financial position of the Authority.

(9) Subsequent Events

In January 2026, the board of the Authority approved the issuance of revenue bonds in the amount of \$12,505,000 to fund infrastructure improvements. The bonds are expected to be issued mid-year 2026.

REQUIRED SUPPLEMENTARY INFORMATION

EATONTON-PUTNAM WATER AND SEWER AUTHORITY
SCHEDULE OF CHANGES IN THE NET PENSION (ASSET) LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Total Pension Liability</u>										
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,336	\$ 10,987	\$ 13,436	\$ 20,661	\$ 27,507
Interest	53,493	56,009	54,933	53,633	52,668	61,659	58,202	55,798	57,051	54,660
Differences Between Expected and Actual Experience	(10,272)	(45,609)	6,730	13,190	9,465	7,350	18,906	(4,296)	(77,474)	(41,393)
Changes in Assumptions	-	-	-	-	-	-	-	12,758	-	-
Benefit Payments	(44,055)	(44,955)	(49,198)	(49,198)	(48,893)	(42,351)	(42,351)	(22,900)	(9,921)	(9,921)
Other	-	-	-	-	-	(131,370)	-	-	-	-
Net Change in Total Pension Liability	(834)	(34,555)	12,465	17,625	13,240	(93,376)	45,744	54,796	(9,683)	30,853
Total Pension Liability-Beginning	747,361	781,916	769,451	751,826	738,586	831,962	786,218	731,422	741,105	710,252
Total Pension Liability-Ending	<u>\$ 746,527</u>	<u>\$ 747,361</u>	<u>\$ 781,916</u>	<u>\$ 769,451</u>	<u>\$ 751,826</u>	<u>\$ 738,586</u>	<u>\$ 831,962</u>	<u>\$ 786,218</u>	<u>\$ 731,422</u>	<u>\$ 741,105</u>
<u>Plan Fiduciary Net Position</u>										
Contributions-Employer	\$ 5,680	\$ 7,166	\$ 3,790	\$ 5,523	\$ 17,591	\$ 9,431	\$ 21,540	\$ 24,873	\$ 24,211	\$ 18,998
Net Investment Income	59,682	169,216	(78,440)	69,558	362,989	(60,275)	32,233	100,900	89,989	2,018
Benefit Payments	(44,055)	(44,955)	(49,198)	(49,198)	(48,893)	(42,351)	(42,351)	(22,900)	(9,921)	(9,921)
Administrative Expense	(5,250)	(4,448)	(5,330)	(5,159)	(5,099)	(7,664)	(5,426)	(5,334)	(6,656)	(3,669)
Net Change in Plan Fiduciary Net Position	16,057	126,979	(129,178)	20,724	326,588	(100,859)	5,996	97,539	97,623	7,426
Total Plan Fiduciary Net Position-Beginning	1,155,405	1,028,426	1,157,604	1,136,880	810,292	911,151	905,155	807,616	709,993	702,567
Total Plan Fiduciary Net Position-Ending	<u>\$ 1,171,462</u>	<u>\$ 1,155,405</u>	<u>\$ 1,028,426</u>	<u>\$ 1,157,604</u>	<u>\$ 1,136,880</u>	<u>\$ 810,292</u>	<u>\$ 911,151</u>	<u>\$ 905,155</u>	<u>\$ 807,616</u>	<u>\$ 709,993</u>
<u>Net Pension Liability</u>										
Net Pension Liability-Ending	<u>\$ (424,935)</u>	<u>\$ (408,044)</u>	<u>\$ (246,510)</u>	<u>\$ (388,153)</u>	<u>\$ (385,054)</u>	<u>\$ (71,706)</u>	<u>\$ (79,189)</u>	<u>\$ (118,937)</u>	<u>\$ (76,194)</u>	<u>\$ 31,112</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	156.92%	154.60%	131.53%	150.45%	151.22%	109.71%	109.52%	115.13%	110.42%	95.80%
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,902	\$ 257,853	\$ 334,853	\$ 462,050	\$ 562,931
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	-25.99%	-30.71%	-35.52%	-16.49%	5.53%

**EATONTON-PUTNAM WATER AND SEWER AUTHORITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially-Determined Contribution	\$ 5,746	\$ 5,667	\$ 6,222	\$ 5,685	\$ 5,469	\$ 19,469	\$ 5,582	\$ 26,859	\$ 36,405	\$ 37,545
Contributions in Relation to the Actuarially-										
Determined Contribution	4,788	4,729	6,222	5,685	5,469	19,469	5,582	24,873	24,211	17,261
Contribution Deficiency	958	938	-	-	-	-	-	1,986	12,194	20,284
Covered Payroll	-	-	-	-	-	45,984	275,902	257,853	334,853	462,050
Contributions as a Percentage of										
Covered Payroll	N/A	N/A	N/A	N/A	N/A	42.34%	2.02%	9.65%	7.23%	3.74%

EATONTON-PUTNAM WATER AND SEWER AUTHORITY

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Note to Required Supplementary Information

Valuation Date	The actuarially determined contribution rate was determined as of July 1, 2025, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2026.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed Level Dollar for Remaining Unfunded Liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10 percent of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20 percent of market value.
Actuarial Assumptions	
Net Investment Rate of Return	7.375 Percent
Projected Salary Increases	2.25 Percent Plus Service-Based Merit Increases
Cost of Living Adjustments	0.00 Percent

Effective March 31, 2020, all employees of the Authority were terminated due to a contract change.

Changes in Assumptions: There were no changes in assumptions since the last actuarial valuation report.

COMPLIANCE SECTION

June 23, 2026

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Eatonton-Putnam Water and Sewer Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of **Eatonton-Putnam Water and Sewer Authority** (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Authority's Responses to Finding

Government Auditing Standards requires the auditor to perform procedures on the Authority's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLeMore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

**EATONTON-PUTNAM WATER AND SEWER AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Section II - Financial Statement Findings and Responses

2025-001. Bank Reconciliations

Criteria: Sound internal control practices and generally accepted accounting principles require that bank reconciliations be prepared accurately, timely, and reviewed to ensure that cash balances reported in the general ledger agree to bank statements. Additionally, management is responsible for maintaining effective internal controls over financial reporting, including proper reconciliation procedures, in accordance with applicable governmental accounting standards and internal control frameworks.

Condition/Context: During our audit, we identified that the bank reconciliations prepared by the Authority contained numerous significant reconciling items. These items were not adequately investigated and resolved in a timely manner. As a result, audit adjustments were required to correct cash balances and related accounts.

Effect: The lack of accurate and timely bank reconciliations increases the risk of material misstatement in the financial statements, particularly in cash and related accounts. It also elevates the risk that errors or irregularities, including potential fraud, may not be detected in a timely manner. The identified deficiencies resulted in audit adjustments, indicating that reported cash balances were not reliable prior to audit correction.

Cause: The issues appear to result from inadequate review procedures, insufficient understanding of reconciliation processes, and lack of timely follow-up on reconciling items.

Recommendation: We recommend that the government strengthen its bank reconciliation process by implementing the following:

- Ensure all bank reconciliations are prepared monthly and completed in a timely manner.
- Investigate and resolve all reconciling items promptly, with appropriate supporting documentation.
- Establish a formal review process whereby reconciliations are reviewed and approved by a knowledgeable individual independent of the preparer.
- Implement monitoring controls to ensure aged reconciling items are identified and cleared.

Auditee's Response: We concur with the finding.

**EATONTON-PUTNAM WATER AND SEWER AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2025**

Section II - Financial Statement Findings and Responses (Continued)

2025-002. Improper Cutoff of Revenues and Expenditures

Criteria: In accordance with generally accepted accounting principles applicable to governmental entities, revenues and expenditures should be recognized in the appropriate accounting period based on the accrual basis of accounting. Management is responsible for implementing internal controls to ensure transactions are recorded in the proper period to support accurate financial reporting.

Condition/Context: During our audit, we noted that certain revenues and expenditures were not recorded in the appropriate accounting period. Specifically, transactions occurring near year-end were recorded in subsequent or prior periods, and in some cases, were not accrued when earned or incurred. As a result, audit adjustments were required to properly recognize these amounts in the correct period.

Effect: Improper cutoff of revenues and expenditures can result in material misstatement of financial statements, including misstated fund balances, revenues, and expenditures/expenses. It also reduces the reliability of financial information used by management and external stakeholders for decision-making.

Cause: The condition appears to be due to inadequate cutoff procedures, lack of formalized policies for year-end accruals, and insufficient review of transactions occurring near period-end. Additionally, accounting personnel may not have a full understanding of the applicable accounting basis and cutoff requirements.

Recommendation: We recommend that the government strengthen its cutoff procedures by implementing the following:

- Develop and document formal year-end cutoff policies and procedures, including guidance on accruals for revenues and expenditures.
- Perform a detailed review of transactions occurring before and after year-end to ensure proper period recognition.
- Record all necessary accruals for revenues earned and expenditures incurred but not yet recorded.
- Implement a supervisory review process to verify the completeness and accuracy of year-end cutoff entries.
- Provide training to accounting staff on proper cutoff procedures and the applicable accounting basis.

Auditee's Response: We concur with the finding.

APPENDIX B

Form of Bond Counsel Opinion

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MURRAY BARNES FINISTER LLP

3525 PIEDMONT ROAD • 5 PIEDMONT CENTER • SUITE 515 • ATLANTA, GEORGIA 30305

_____, 2026

Eatonton-Putnam Water and
Sewer Authority
Eatonton, Georgia

Regions Bank, as Bond Registrar and Paying
Agent
Atlanta, Georgia

Raymond James & Associates, Inc.
Atlanta, Georgia

Build America Mutual Assurance Company
New York, New York

Re: \$_____ Eatonton-Putnam Water and Sewer Authority Revenue Bonds,
Series 2026

To the Addressees:

We have acted as Bond Counsel and Disclosure Counsel to the Eatonton-Putnam Water and Sewer Authority (the “Authority”) in connection with the issuance of \$[Par Amount] in aggregate principal amount of its Water and Sewer Authority Revenue Bonds, Series 2026 (the “Series 2026 Bonds”). In our capacity as Bond Counsel, we have examined the law and such certified proceedings, including a certified copy of the record of the validation proceeding concluded in the Superior Court of Putnam County, Georgia, and other papers as we deemed necessary to render this opinion. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate. Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Resolution defined below.

The Series 2026 Bonds are being issued pursuant to a bond resolution adopted by the Authority on July 11, 2017 (the “Original Resolution”) and a parity bond resolution adopted by the Authority on January 21, 2026 as supplemented on _____, 2026 (together with the Original Resolution, the “Resolution”). The proceeds of the Series 2026 Bonds will be used for the purpose of (a) making certain improvements to the Authority’s water and sewer system (the “System”) (b) paying the premium for a debt service reserve surety bond to be issued by Build America Mutual Assurance Company (“BAM”) and the premium for a municipal bond insurance policy to be issued by BAM and (c) paying the costs of issuing the Series 2026 Bonds.

Pursuant to the Resolution, the Authority has created a lien on the revenues derived from the operation of the System after the payment of the costs of operating, maintaining and repairing the System (the “Net Revenues”), all for the benefit of the owners of the Series 2026 Bonds, the Series 2017 Bonds (as defined in the Resolution), and the owners of any parity bonds hereafter issued under the Resolution. The Series 2026 Bonds constitute limited

obligations of the Authority and are payable solely from the Net Revenues of the System. The Series 2026 Bonds will not constitute a debt of the State of Georgia, or any political subdivision or municipal corporation of the State of Georgia within the meaning of any constitutional or statutory debt limitation.

The Series 2026 Bonds are subject to redemption prior to maturity in the manner and on the terms specified in the Resolution.

As Bond Counsel, we express no opinion with respect to the accuracy, completeness or sufficiency of the Official Statement or any other offering materials distributed in connection with the offering or sale of the Series 2026 Bonds. We express no opinion as to the compliance by the Authority or the underwriter with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series 2026 Bonds.

In rendering our opinion that the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes, we have (a) relied as to questions of fact material to our opinion upon certificates and certified proceedings of public officials, including officials of the Authority, and representations of the Authority (including representations as to the use and investment of the proceeds of the Series 2026 Bonds), without undertaking to verify the same by independent investigation and (b) assumed continued compliance by the Authority with its covenants relating to the use of the proceeds of the Series 2026 Bonds, the Series 2026 Project and the System and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), including the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such certificates or representations or the noncompliance with such covenants may cause interest on the Series 2026 Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2026 Bonds.

Based upon our examination and the provisions referred to above, we are of the opinion, as of the date hereof and under existing law, as follows:

(1) The Authority has the power to (a) adopt the Resolution and perform its obligations thereunder and (b) issue, execute, deliver and perform its obligations under the Series 2026 Bonds.

(2) The Resolution has been duly adopted by the Authority and constitutes the legal, valid, binding and enforceable obligation of the Authority. The Resolution creates a lien on the Net Revenues as security for the Series 2026 Bonds.

(3) The Series 2026 Bonds have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding limited obligations of the Authority payable from the Net Revenues.

(4) Interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the

federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding any other federal tax consequences caused by the receipt or accrual of interest on the Series 2026 Bonds.

(5) The interest on the Series 2026 Bonds is exempt from all present Georgia income taxes.

(6) The Series 2026 Bonds have been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

The rights of the owners of the Series 2026 Bonds and the enforceability of the Resolution and the Series 2026 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

We are members of the State Bar of Georgia. Our opinions herein are limited to the laws of the State of Georgia and any applicable federal laws of the United States. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters so stated. This opinion is intended solely for the use of the addressees and their permitted successors and/or assigns and may not be relied upon by any other person for any purpose without our prior written consent in each instance. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

MURRAY BARNES FINISTER LLP

By: _____
A Partner

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APPENDIX C

Summary of Certain Provisions of the Resolution

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SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following are definitions of certain terms and a general summary of the Resolution pursuant to which the Series 2026 Bonds will be issued. The summary hereinafter set forth does not purport to be complete or definitive, and for further information, reference is made to the Resolution, a copy of which is available from the Authority upon request.

CERTAIN DEFINITIONS

“Additional Bonds” means any revenue bonds of the Authority ranking on parity with the Series 2017 Bonds and the Series 2026 Bonds which may hereafter be issued pursuant to Article V, Section 3 of the Resolution.

“Authority” means the Eatonton-Putnam Water and Sewer Authority, a public body corporate and politic of the State of Georgia and its successors and assigns.

“BAM” means Build America Mutual Assurance Company, or any successor thereto.

“Beneficial Owner” means the owner of a beneficial interest in the Bonds registered in Book-Entry Form.

“Bond Registrar” means the commercial bank appointed by the Authority to maintain, in accordance with the provisions of the Resolution and any supplemental resolution, the registration books of the Authority for any series of Bonds secured by the Resolution.

“Bonds” means any revenue bonds issued by the Authority pursuant to the Resolution, including the Series 2017 Bonds, the Series 2026 Bonds and any Additional Bonds.

“Book-Entry Form” or “Book-Entry System” means, with respect to the Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Bonds and bond service charges may be transferred only through book-entry and (b) physical Bonds in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with physical Bonds in the custody of a Securities Depository.

“Construction Fund” means the Eatonton-Putnam Water and Sewer Authority Construction Fund created in Article IV, Section 2 of the Resolution.

“Construction Fund Custodian” means the commercial bank appointed by the Authority to maintain the Construction Fund.

“Consulting Engineers” means an engineer or engineering firm having a national reputation for skill relating to public utility systems.

“Credit or Liquidity Facility” means a line of credit, letter of credit, standby bond purchase agreement or similar facility established in connection with the issuance of any Additional Bonds.

“Debt Service Account” means the Debt Service Account created within the Sinking Fund.

“Debt Service Coverage Ratio” means the ratio determined by dividing the Income Available for Debt Service by the Debt Service Requirement.

“Debt Service Requirement” means, with respect to any Sinking Fund Year, the principal and interest payable on the Bonds in such Sinking Fund Year; provided however, interest will be excluded from the determination of the Debt Service Requirement to the extent the same is provided from the original proceeds of Bonds.

“Debt Service Reserve Requirement” means, as of any date of calculation, (a) with respect to the Series 2026 Bonds, an amount equal to the least of (i) 10% of the original principal amount of Series 2026 Bonds, (ii) the maximum annual debt service on the Series 2026 Bonds payable in any Sinking Fund Year or (iii) 125% of average

annual debt service on the Series 2026 Bonds payable in any Sinking Fund Year and (b) with respect to Additional Bonds, the amount, if any, set forth in the resolution authorizing the issuance of such Additional Bonds. Notwithstanding the foregoing, (a) with respect to Additional Bonds that are Variable Rate Bonds, it will be assumed that such Additional Bonds bear interest through maturity at that rate which the original purchaser of such Additional Bonds certifies as of the date of issuance thereof would have borne had such Additional Bonds borne a fixed, constant rate of interest and (b) interest will be excluded from the determination of the Debt Service Reserve Requirement to the extent the same is provided from the original proceeds of such Additional Bonds and (c) if an issue has more than a de minimis amount of original issue discount or premium, the issue price will be used to measure the 10% limitation in lieu of the stated principal amount.

“Debt Service Reserve Surety Bond” means a surety bond, insurance policy or irrevocable letter of credit credited to the Reserve Account in lieu of or in partial substitution for moneys and securities on deposit therein.

“Disclosure Agreements” means the Series 2026 Disclosure Certificate and any disclosure agreement or certificate executed in connection with the issuance of any Additional Bonds.

“Fiscal Year” will mean any period of twelve consecutive months adopted by the Authority as the fiscal year for financial reporting purposes related to the System and will initially mean the period beginning on January 1 of each calendar year and ending on December 31 of the same calendar year.

“Funds” means the Revenue Fund, the Sinking Fund, the Renewal and Extension Fund and the Construction Fund.

“Government Obligations” means (a) obligations of the United States and of its agencies and instrumentalities, (b) obligations fully insured or guaranteed by the United States government or United States government agency, (c) obligations of any corporation of the United States government (including any obligations described in (a), (b) or (c) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or (d) tax-exempt municipal obligations that have been defeased with obligations described in (a), (b) or (c), which obligations, in any case, are rated in the highest rating category by Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies.

“Income Available for Debt Service” means, for any period of 12 consecutive calendar months for which such determination is made, Net Revenues; provided, however, that no determination thereof will take into account (a)(i) a gain or loss resulting from either the extinguishment of Bonds or the sale, exchange or other disposition of capital assets not made in the ordinary course of business, (ii) unrealized gains or losses or (iii) any other components of revenues or expenses that do not contribute to or diminish cash flow available to pay debt service, or (b) earnings on the Construction Fund.

“Insurer Default” ” means: (a) BAM has failed to make any payment under the Series 2026 Policy when due and owing in accordance with its terms; or (b) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (f) take action for the purpose of effecting any of the foregoing; or (c) any state or federal agency or instrumentality shall order the suspension of payments on the Series 2026 Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

“Interest Payment Date” means (a) with respect to the Series 2026 Bonds, each May 1 and November 1, commencing May 1, 2027 and (b) with respect to any Additional Bonds, the interest payment date specified in the supplemental resolution authorizing such Additional Bonds.

“Maximum Annual Debt Service Coverage Ratio” means the ratio determined by dividing Income Available for Debt Service by the Maximum Annual Debt Service Requirement.

“Maximum Annual Debt Service Requirement” means the maximum annual Debt Service Requirement.

“Net Revenues” means the gross revenues derived from the ownership or operation of the System, including, without limitation, all tap fees and connection fees, whether or not accounted for as revenue or contributed capital, all earnings on amounts on deposit in the Funds, less the reasonable and necessary costs of operating, maintaining and repairing the System, including without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, if any, insurance premiums, audit fees, and other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization. Net Revenues will not include amounts drawn or otherwise available under a Credit or Liquidity Facility.

“Participants” means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository in the Book-Entry System, as such listing exists at the time of such reference.

“Paying Agent” means the commercial bank or banks appointed by the Authority to serve as paying agent in accordance with the terms of the Resolution and any supplemental resolution for any series of Bonds secured by the Resolution.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

- (a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

- (b) bonds or obligations of the Authority, or bonds or obligations of the State of Georgia, or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

- (c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

- (d) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations will have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

- (e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

- (f) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any proceeds of any bonds. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit

Insurance Corporation, if any, will be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia or with a trust office located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or other states or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations referred to in paragraph (c) above, obligations of the agencies and instrumentalities of the United States government referred to in paragraph (d) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities referred to in paragraph (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referred to in paragraph (c) and (d) above and repurchase agreements fully collateralized by any such obligations;

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(h) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement or other similar banking arrangement will permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

(i) any other investments authorized by the laws of the State of Georgia from time to time.

“Series 2026 Policy” means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Series 2026 Bonds when due.

“Projects” means any projects financed with proceeds of any Additional Bonds.

“Record Date” means (a) with respect to the Series 2026 Bonds, the fifteenth day of the calendar month preceding each Interest Payment Date and (b) with respect to any Additional Bonds, the record date specified in the supplemental resolution authorizing such Additional Bonds.

“Renewal and Extension Fund” means the Eatonton-Putnam Water and Sewer Authority Renewal and Extension Fund created in Article V, Section 1 of the Resolution.

“Renewal and Extension Fund Depository” means the commercial bank appointed by the Authority to maintain the Renewal and Extension Fund.

“Reserve Account” means the Reserve Account created within the Sinking Fund.

“Resolution” means the resolution adopted by the Authority on July 11, 2017, and a parity bond resolution adopted by the Authority on January 21, 2026 as supplemented on _____, 2026 as supplemented from time to time.

“Revenue Bond Law” means the Revenue Bond Law, (O.C.G.A. Section 36-82-60 *et seq.*), as amended from time to time.

“Revenue Fund” means the Eatonton-Putnam Water and Sewer Authority Revenue Fund created in Article V, Section 1 of the Resolution.

“Revenue Fund Depository” means the commercial bank appointed by the Authority to maintain the Revenue Fund.

“Securities Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its Participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means any nominee of a Securities Depository and will initially mean Cede and Co., New York, New York, as nominee of The Depository Trust Company.

“Series 2017 Bonds” means the Eatonton-Putnam Water and Sewer Authority Revenue Refunding Bonds, Series 2017.

“Series 2026 Bonds” means the Eatonton-Putnam Water and Sewer Authority Revenue Bonds, Series 2026.

“Series 2026 Capital Improvement Account” means the subaccount of the Construction Fund created with respect to the Series 2026 Bonds.

“Series 2026 Debt Service Reserve Surety Bond” means the Municipal Bond Debt Service Reserve Insurance Policy issued by BAM funding the Debt Service Reserve Requirement for the Series 2026 Bonds.

“Series 2026 Disclosure Certificate” means the continuing disclosure certificate executed in connection with the issuance of the Series 2026 Bonds.

“Series 2026 Project” means the acquisition, construction, and equipping of certain additions, extensions and improvements to the System financed with the proceeds of the Series 2026 Bonds.

“Sinking Fund” means the Eatonton-Putnam Water and Sewer Authority Sinking Fund created in Article V, Section 1 of the Resolution in which are held the Debt Service Account and the Reserve Account.

“Sinking Fund Custodian” means the commercial bank appointed by the Authority to maintain the Sinking Fund.

“Sinking Fund Investments” means (a) Government Obligations and forward purchase agreements and repurchase agreements with respect thereto, (b) demand deposits or certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured and (c) the local government investment pool created by O.C.G.A. Section 36-83-8.

“Sinking Fund Year” means the period commencing on the 2nd day of November in each year and extending through the 1st day of November in the next year.

“State” means the State of Georgia.

“Subordinate Debt” means any debt which is expressly made subordinate and junior in right of payment of principal of, redemption premium, if any, and interest on all Bonds issued pursuant to the Resolution and all obligations related to a Debt Service Surety Bond or Credit or Liquidity Facility (collectively, “Senior Debt”). The terms of all Subordinate Debt will require that (a) no payment on account of principal of, redemption premium, if any, or interest on such Subordinate Debt will be made unless full payment of all amounts then due and payable on Senior Debt have been made or duly provided for; (b) no payment on account of principal of, redemption premium, if any, or interest on such Subordinate Debt will be made if, at the time of such payment or application, or immediately after giving effect thereto, (i) there will exist a default in the payment of any Senior Debt (whether at maturity or upon mandatory redemption), or (ii) there will have occurred an event of default with respect to any Senior Debt, and such event of default will not have been cured or waived or will not have ceased to exist; and (c) in the event that any Subordinate Debt is declared or otherwise becomes due and payable because of the occurrence of an event of default with respect thereto, (i) the holders of the Senior Debt will be entitled to receive payment in full thereon before the holders of the Subordinate Debt will be entitled to receive any payment on account of such Subordinate Debt as a result of such event of default, and (ii) no holder of Subordinate Debt, or a trustee acting on such holder’s behalf, will be entitled to exercise any control over proceedings to enforce the terms and conditions of the Resolution.

“System” means the Authority’s water and sewerage system, as now existent and as hereafter added to, extended, improved and equipped and any and all other systems, equipment or facilities operated in connection therewith.

“Variable Rate” means as to any Bonds, any portion of such Bonds the interest rate on which is not established at the time of original execution or issuance at a fixed or constant rate.

FUNDS

Funds; Flow of Funds

The following funds are created in the Resolution:

- (a) Closing Fund;
- (b) Construction Fund;
- (c) Revenue Fund;
- (d) Sinking Fund; and
- (e) Renewal and Extension Fund.

The Construction Fund shall be maintained by the Construction Fund Custodian, the Revenue Fund shall be maintained by the Revenue Fund Depository, the Sinking Fund shall be maintained by the Sinking Fund Custodian, and the Renewal and Extension Fund shall be maintained by the Renewal and Extension Fund Depository.

The City has established a separate special subaccount within the Reserve Account to be known as the Series 2026 Reserve Subaccount in the Reserve Account of the Sinking Fund in connection with the issuance of the Series 2026 Bonds. The Series 2026 Reserve Subaccount will be fully funded upon the issuance of the Series 2026 Debt Service Reserve Surety Bond to be issued by the Insurer. The Series 2026 Reserve Subaccount will secure only the Series 2026 Bonds and will not secure the payment of principal of and interest on any Additional Bonds. The City may, but is not required, to establish a separate Reserve Subaccount as security for Additional Bonds. If created, such Reserve Subaccount will not secure the Series 2026 Bonds.

Construction Fund. The Construction Fund Custodian has created on its books and records a special trust fund designated as the “City of Monroe, Georgia Combined Utility Construction Fund.” All moneys deposited into the Construction Fund shall be held in trust by the Construction Fund Custodian separate from other deposits of the City.

The Construction Fund Custodian has created a separate special account within the Construction designated as the “Series 2026 Capital Improvement Account.” As to any issue of Additional Bonds providing Construction Fund moneys, the Construction Fund Custodian shall establish a separate special account within the Construction Fund, each of which shall be designated as the “Series _____ Capital Improvement Account.” The Series 2026 Capital Improvement Account and each account created in connection with the issuance of Additional Bonds is hereinafter referred to as a “Capital Improvement Account.” Subject to the following paragraph, the moneys credited to the Series 2026 Capital Improvement Account shall be used and applied for the purpose of paying the cost of the Series 2026 Project and paying the costs of issuing the Series 2026 Bonds.

As to any issue of Additional Bonds providing Construction Fund moneys, the Construction Fund Custodian will establish a separate special account within the Construction Fund, each of which will be designated as the “Series _____ Capital Improvement Account.” Each account created in connection with the issuance of Additional Bonds is referred to as a “Capital Improvement Account” in the Resolution. Subject to the immediately succeeding paragraph below, the moneys credited to a Capital Improvement Account will be used and applied for the purpose of paying the cost of the Projects, paying capitalized interest (if any) and paying the costs of issuing such Additional Bonds that funded such Capital Improvement Account.

Upon completion of the Projects and after payment of all expenses with respect thereto, all moneys credited to the related Capital Improvement Account may, at the direction of the Authority, be (a) credited to any other Capital Improvement Account and used to complete the Project with respect to which such Capital Improvement Account was created or (b) credited to the Sinking Fund and used to pay debt service on the Bonds.

All payments from the Construction Fund will be made by wire transfer or upon checks signed by the Construction Fund Custodian or officers of the Authority properly authorized to sign on its behalf (an “Authorized Authority Representative”). Before any such transfers are made or any checks are signed, will be filed with the Construction Fund Custodian:

(a) A requisition for such payment stating each amount to be paid, and the name of the person, firm or corporation to whom payment thereof is due; and

(b) A certificate signed by such Authorized Authority Representative, attached to the requisition and certifying:

(i) That an obligation in the stated amount has been incurred by the Authority, specifying the purpose and circumstances of such obligation in reasonable detail and to whom such obligation is owed, that the same is a proper charge against the Construction Fund and has not been paid or the subject of a previous requisition, and that the bill or statement of account for such obligation is on file with the Authority;

(ii) That the Authorized Authority Representative has no notice of any vendors, mechanic’s or other liens or rights to liens, chattel mortgages, conditional sales contracts or any security interest, which should be satisfied or discharged before such payment is made;

(iii) That such requisition contains no item representing payment on account or any retained percentages which the Authority is, at the date of such certificate, entitled to retain;

(iv) That insofar as such obligation was incurred for work, materials, supplies or equipment in connection with the undertaking, such work was actually performed, or such materials, supplies or equipment were actually installed in or about the construction or delivered at the site of the work for that purpose;

(v) That insofar as such obligation was incurred in relation to the issuance of Bonds, that such work was actually performed; and

(vi) That no default exists under the Resolution.

Revenue Fund. All revenues arising from the ownership or operation of the System and properties in connection therewith as then existent and as thereafter added to, extended and improved will be collected by the Authority or by its agents or employees and deposited promptly with the Revenue Fund Depository to the credit of the Revenue Fund. The Authority has agreed to continue to maintain the Revenue Fund as a special trust fund separate and apart from its other funds so long as any Bonds are outstanding and unpaid or until provision has been duly made for the payment thereof. Said revenues will be disbursed from the Revenue Fund as described in the Official Statement under the heading "SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2026 BONDS-Funds and Accounts; Flow of Funds."

Sinking Fund. The Sinking Fund will consist of two accounts: the Debt Service Account and the Reserve Account. The Sinking Fund will be kept as a trust fund with the Sinking Fund Custodian separate from other deposits of the Authority.

The Sinking Fund Custodian will establish the "Series 2026 Reserve Subaccount" within the Reserve Account. As to any issue of Additional Bonds for which the Authority has determined that it is necessary or desirable to establish a debt service reserve for such Additional Bonds, the Sinking Fund Custodian will establish a separate special subaccount within the Reserve Account, each of which will be designated as the "Series _____ Reserve Subaccount." The Series 2017 Reserve Subaccount created in connection with the issuance of the Series 2017 Bonds, the Series 2026 Reserve Subaccount, and each subaccount created in connection with the issuance of Additional Bonds is referred to as a "Reserve Subaccount" in the Resolution. Each Reserve Subaccount will only secure the Bonds for which it was established. Each Reserve Subaccount will be funded and replenished pro rata.

The Debt Service Account will be maintained for the purpose of paying (a) the interest on the Bonds as such interest becomes due and payable; (b) the principal of the Bonds as same becomes due and payable, either at maturity or by proceedings for redemption or acceleration; (c) the optional redemption price of Bonds before maturity at the price and under the conditions provided therefor in the Resolution; (d) the purchase price of Bonds in the open market; (e) the charges for paying the Bonds and interest thereon and the charges for the registration of the Bonds secured hereby and their transfer or exchange in accordance with the terms thereof; and (f) any charges for investment services.

If the Authority determines that it is necessary or desirable to establish a Reserve Subaccount in connection with the issuance of Additional Bonds, there will be deposited in the Reserve Subaccount as necessary substantially equal monthly payments sufficient to create within the Reserve Subaccount within 60 months from the date of issuance of any Additional Bonds a reserve equal to the Debt Service Reserve Requirement. If moneys are withdrawn from a Reserve Subaccount to pay any of the Bonds secured thereby, if the value of the investments declines to an amount less than the Debt Service Reserve Requirement, or, if a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits will also include substantially equal monthly payments sufficient to (a) restore the amount withdrawn from the Reserve Subaccount, (b) restore the value of investments to an amount equal to the Debt Service Reserve Requirement or (c) reimburse the issuer of the Debt Service Reserve Surety Bond, in each case within 12 months. If a Credit or Liquidity Facility is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits will also include substantially equal monthly payments sufficient to reimburse the issuer of the Credit or Liquidity Facility in accordance with its terms. In the event of a drawdown on any Debt Service Reserve Surety Bond or any Credit or Liquidity Facility, such payments will be made first, on a pro rata basis, to the issuers of the Debt Service Reserve Surety Bonds, then, on a pro rata basis, to the issuers of such Credit or Liquidity Facilities and then, to replenish any cash. Each Reserve Subaccount will be funded and replenished pro rata.

Each Reserve Subaccount will be maintained for the purpose of paying the principal of and interest on the Bonds secured thereby falling due in any year as to which there are insufficient moneys in the Debt Service Account and as to which there would otherwise be a default or for the purpose of reimbursing an issuer of a Debt Service

Reserve Surety Bond or a Credit or Liquidity Facility for a drawing thereon. Prior to drawing on any Debt Service Reserve Surety Bond, all other amounts on deposit in the Reserve Subaccount, if any, must be expended. The Paying Agent will deliver the demand for payment (if any) required by the issuer of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility at the time and in the manner required. In determining the amount on deposit in a Reserve Subaccount, there will be taken into account the amount available under any Debt Service Reserve Surety Bond. In the event there is more than one Debt Service Reserve Surety Bond credited to a Reserve Subaccount and there is a drawdown, such Debt Service Reserve Surety Bonds will be drawn upon on a pro rata basis.

If on the 2nd day of November in any year there are on deposit in a Reserve Subaccount moneys or securities (such securities to be valued at their market value plus accrued interest thereon to November 2) the aggregate amount of which, together with the amounts available under the Debt Service Reserve Surety Bond, are in excess of the Debt Service Reserve Requirement, such excess moneys and securities will be withdrawn therefrom by the Sinking Fund Custodian and immediately deposited into the Revenue Fund provided that no default has occurred and is continuing hereunder. Such moneys will be used by the Authority in accordance with the Resolution for any purpose that does not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding Bond.

A Reserve Subaccount may be funded by depositing a Debt Service Reserve Surety Bond (a) from a provider that has a rating at the time of issuance of such Debt Service Reserve Surety Bond equal to or higher than the rating on the Bonds secured thereby, (b) that has a term not less than the final maturity date of the Bonds secured thereby (or may be drawn upon in full upon its expiration date if a substitute letter of credit or surety bond is not in place prior to its expiration date), and (c) that is payable on any Interest Payment Date in an amount equal to any portion of the balance then required to be maintained within the Reserve Subaccount. Before any such Debt Service Reserve Surety Bond is substituted for cash or deposited in lieu of cash in the Reserve Subaccount, there will be filed with the Sinking Fund Custodian (a) an opinion of nationally recognized bond counsel to the effect that such substitution or deposit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding Bond; (b) a certificate evidencing that at least 30 days prior notice of the proposed substitution or deposit of such Debt Service Reserve Surety Bond was given to all rating agencies then rating any Bonds, including a description of such Debt Service Reserve Surety Bond and the proposed date of substitution or deposit; and (c) the Debt Service Reserve Surety Bond issued to fulfill the obligation to fund the Reserve Subaccount, together with an opinion of counsel to the issuer of the Debt Service Reserve Surety Bond to the effect that the Debt Service Reserve Surety Bond is valid and enforceable in accordance with its terms. Notwithstanding anything to the contrary contained in the Resolution, the Resolution may be amended without notice to or the consent of the owners of the Bonds to provide for any additional provisions required by the issuer(s) of such Debt Service Reserve Surety Bond; provided, however, that there will be first delivered an opinion of nationally recognized bond counsel to the effect that such additional provisions are not materially adverse to the rights or security of the owners of the Bonds. Nothing in the Resolution will be construed as requiring the Authority to create or fund a Reserve Subaccount in connection with the issuance of Additional Bonds.

Renewal and Extension Fund. Expenditures may be made from the Renewal and Extension Fund for the purpose of:

- (a) Paying operating expenses relating to the System;
- (b) Making debt service payments on the Bonds;
- (c) In case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;
- (d) Making replacements, additions, extensions and improvements to the System and paying the cost of any engineering studies, surveys or plans and specifications pertaining to future development or expansion of the System;

(e) Transfers to the Sinking Fund for the purpose of acquiring the Bonds by redemption or by purchase in the open market, and when so used for such purposes the moneys will be withdrawn from the Renewal and Extension Fund and deposited into the appropriate fund for the Bonds to be so redeemed or purchased; or

(f) Paying any issuer of any Debt Service Reserve Surety Bond interest on amounts drawn under such surety bond and payment to the issuer of any Credit or Liquidity Facility the costs for any such facility.

RATE COVENANT

The Authority has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System and as often as it will appear necessary the Authority has covenanted to revise and adjust such schedule of rates, fees and charges for the services and facilities of the System to the extent necessary to produce funds sufficient to.

(a) operate, maintain and repair the System on a sound businesslike basis;

(b) maintain the Sinking Fund in the amounts required by the Resolution and any future parity resolutions;

(c) maintain the Debt Service Account in the amount required to discharge the payments of the principal of and the interest on the Bonds as the same become due and payable;

(d) maintain the Debt Service Reserve Requirement in the Reserve Account;

(e) pay amounts owing to an issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility; and

(f) pay all other amounts owing under the Resolution.

Without limiting the foregoing, the Authority has covenanted to set the schedule of rates, fees and charges for the services and facilities of the System so as to produce Net Revenues equal to at least 1.15 times the Debt Service Requirement in the current Sinking Fund Year.

The rates, fees and charges will be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as near as practicable such rates, fees and charges are uniform in application to all users falling within any reasonable class. No free services will at any time be furnished from the System except for that provided to fire hydrants within the service area of the Authority. Subject to existing agreements and subject to Georgia law, the Authority will undertake within its health powers or such other applicable powers now or hereafter provided by law, to require the owners of all improved property abutting any water line or sewerage line to connect with the System provided that there is sufficient capacity in the System to provide adequate service.

In the event the Authority fails to adopt a schedule or schedules of rates, fees and charges, or to revise its schedule or schedules of rates, fees and charges, in accordance with the provisions of the Resolution, any bondholder, without regard to whether any "event of default" as describe below has occurred, may institute and prosecute in any court of competent jurisdiction, an appropriate action to compel the Authority to adopt a schedule or schedules of rates, fees and charges or to revise its schedule or schedules of rates, fees and charges in accordance with the requirements of the Resolution.

ADDITIONAL BONDS

No other obligations of any kind or nature will be issued which are payable from or enjoy a lien on the Net Revenues prior to the lien created for the payment of the Bonds. However, Additional Bonds may be issued by the

Authority, from time to time, for the purpose of refunding any issue or issues of outstanding Bonds or other obligations, financing, in whole or in part, additions, extensions and improvements to the System or for any other lawful purpose, ranking as to lien on the Net Revenues on a parity with the Series 2017 Bonds and the Series 2026 Bonds provided all of the following conditions are met:

(a) None of the Series 2017 Bonds, Series 2026 Bonds or any Additional Bonds then outstanding are in default as to principal and interest, and the Authority is in material compliance with the Resolution.

(b) The payments covenanted to be made into the Debt Service Account and the Reserve Account must be currently being made in the full amount as required and such accounts must be at their proper respective balances.

(c) (i) A firm of independent certified public accountants or municipal finance advisors certifies that (A) for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of such Additional Bonds or (B) for the most recent audited Fiscal Year, the Maximum Annual Debt Service Coverage Ratio (excluding for calculation of the Debt Service Requirement (1) any Bonds which are to be refunded and defeased by such proposed Additional Bonds and (2) any of the proposed Additional Bonds the debt service on which is to be funded with the proceeds of such Additional Bonds and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued), was not be less than 1.20; or (ii) if a new schedule of rates and charges has been adopted for the services, facilities and commodities furnished by the System, the Consulting Engineer, certified public accountants or municipal finance advisors certifies that had the new schedule of rates and charges been adopted throughout such specified period the test specified in (i) would have been met; or (iii) the Consulting Engineer, certified public accountants or municipal finance advisors certifies that the Debt Service Coverage Ratio (including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued) for each of the first three full Sinking Fund Years subsequent to the acquisition or completion of the facilities to be financed with the Additional Bonds will not be less than 1.30; or (iv) (A) the Additional Bonds are being issued to refund other Bonds, (B) the final maturity of the Additional Bonds is not extended past the maturity of the Bonds being refunded and (C) the average annual debt service of the Additional Bonds does not exceed the average annual debt service on the Bonds being refunded.

(d) The Authority passes proper proceedings reciting that all of the above requirements have been met, authorizes the issuance of the Additional Bonds and provides in such proceedings that such Additional Bonds will be secured under and pursuant to the Resolution. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds will make appropriate provisions for the transfer of moneys on deposit in the Sinking Fund to the trustee in sufficient time for the payment of debt service on such Additional Bonds; but nothing contained in the Resolution will require the Sinking Fund to be held by such trustee. In the event Additional Bonds are issued pursuant to a trust indenture, the trustee thereunder will for purposes of the Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds. It will not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued under the Resolution. Any such proceeding or proceedings will ratify and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Resolution.

(e) Any proposed Variable Rate Additional Bonds must specify a maximum interest rate. If any such Variable Rate Additional Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a Credit or Liquidity Facility may be provided at or prior to the issuance of such Variable Rate Additional Bonds to support the Authority's obligations for any such mandatory redemption or purchase. The failure of any such Credit or Liquidity Facility to purchase any such Variable Rate Additional Bonds will not be a default under the Resolution, and will not cause an acceleration of such Variable Rate Additional Bonds or Bonds issued pursuant to the Resolution.

(f) Such Additional Bonds and all proceedings relative thereto, and the security therefor, are validated as prescribed by law.

(g) The Authority determines it is necessary or desirable to establish a Reserve Subaccount for such Additional Bonds.

DEFEASANCE

When the Sinking Fund Custodian, the Paying Agent or an escrow agent has sufficient moneys or Government Obligations, which, without any reinvestment thereof, will (based upon a verification report of an independent certified public accountant or firm thereof) provide for the payment of Bonds of any series and the interest due or to become due thereon, and any premium required to be paid should such Bonds be called for redemption, the Bonds will be deemed to be paid. Upon such deposit of moneys or Government Obligations, the owners of such Bonds will no longer be entitled to the benefits of the security afforded by the Resolution and such Bonds will, except for the purposes of registration, exchange and transfer, no longer be deemed outstanding hereunder. This Resolution will not terminate until all amounts owed to the issuer of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility have been paid.

See "BAM Provisions" for additional defeasance requirements and limitations relating to the Series 2026 Bonds.

INVESTMENTS

Moneys held in the Construction Fund may be invested in Permitted Investments. Moneys held in the Revenue Fund and the Renewal and Extension Fund may be invested in any investment authorized by the laws of the State. Moneys held in Sinking Fund may be invested in Sinking Fund Investments; provided, however, moneys on deposit in the Reserve Account derived from Bond proceeds may only be invested in Sinking Fund Investments that are also Permitted Investments. All investments in the Sinking Fund must mature or be redeemable at the option of the holder within five years.

COVENANTS

The Authority has made the following additional covenants in the Resolution for the benefit of the owners of the Bonds.

Payments

The Authority has covenanted to promptly pay the principal of and interest on the Bonds at the place, on the dates and in the manner herein, and in the Bonds specified, and any premium required for the redemption of the Bonds, according to the true intent and meaning thereof.

Rules and Regulations

The Authority has covenanted to enforce reasonable rules and regulations governing the System and the operation thereof. The Authority has also covenanted that all compensation, salaries, fees and wages paid by it in connection with the operation, repair and maintenance of the System will be reasonable, that no more persons will be employed by it than are necessary, that it will operate same in an efficient and economical manner, that it will at all times maintain the System in good repair and in sound operating condition, that it will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such undertaking and enterprise.

Liens

The Authority has covenanted not to create nor suffer to be created any lien, security interest or charge upon the Net Revenues, ranking equally with or prior to the lien and charge created in the Resolution upon the Net Revenues. The Authority has also covenanted not to create nor suffer to be created any lien, security interest or charge upon the System. The Authority has agreed to pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge within 60 days after the same will accrue, all lawful claims and demands which, if unpaid, might by law become a lien upon the System; provided, however, that nothing contained in the Resolution will require the Authority to pay, or cause to be discharged, or make provisions for, any such lien, security interest or charge, so long as the validity thereof will be contested in good faith and by appropriate legal proceedings.

If no event of default under the Resolution has happened and be continuing and provided there will be no material adverse effect on the Net Revenues of the System, the Authority may at any time or times cause to be granted, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the System and such grant will be free from the lien or security interest of the Resolution or the Authority may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the System with or without consideration.

See “BAM Provisions” for further limitations on the Authority’s ability to create liens as long as the Series 2026 Bonds are outstanding.

Sale of Assets

Except as otherwise permitted in the Resolution, the Authority has covenanted not to sell or otherwise dispose of the System or any integral part thereof, except that it may sell the System as a whole, or substantially as a whole if the proceeds of such sale are at least sufficient to provide for the payment of all Bonds secured by the Resolution, and any interest accrued or to accrue thereon, and that the proceeds of any such sale are deposited in trust and applied by the Authority to the extent necessary to purchase or redeem the Bonds. Nothing contained in the Resolution, however, will preclude (a) sales in the ordinary course of business or (b) a sale of a part of the System where the sale would not, in any way, materially adversely affect the Net Revenues of the System as certified by the Consulting Engineers.

See “BAM Provisions” for further limitations on the Authority’s ability to sell assets as long as the Series 2026 Bonds are outstanding

Insurance

The Authority has covenanted to cause to be bonded its employees or agents handling funds of the System in amounts considered necessary and adequate for its protection and to procure and maintain insurance on the physical properties of the System of the kinds and in the amounts normally carried by private companies or other agencies engaged in the operation of similar properties. Such insurance will include: (a) fire and property damage; (b) public liability insurance relating to the operation of the System; and (c) vehicular public liability insurance on any vehicle owned or operated by the Authority and used in the operation of the System. Such insurance may provide reasonable and customary coverage and deductibles for agencies and governmental authorities operating water systems. Such insurance will be purchased from a responsible insurance company or companies authorized and qualified to do business in the State. If the Authority is unable to obtain such insurance legally or on reasonable and customary terms, the Authority will maintain self-insurance to the extent required by the Resolution. The proceeds of such fire and property damage policies have been pledged as security for the Bonds, but will be available for and will, to the extent necessary and desirable, be applied to the repair and replacement of the damaged or destroyed property and may be pledged on a parity basis as security for any revenue bonds issued by the Authority. In the event the proceeds of such policies are not used for that purpose, then same will be deposited in the Renewal and Extension Fund; provided, however, that all such repairs or replacements will be made in all instances whereby failure to do so would materially adversely affect the revenues of the System. Proceeds from the fidelity bonds on employees and agents will be paid into the appropriate fund. All insurance policies and fidelity

bonds will be open to the inspection of the bondholders or their duly authorized representatives at all reasonable times.

Separate Accounts

The Authority has covenanted to keep the Funds and accounts of the System separate from all other funds and accounts of the Authority, or any of its departments and has agreed that no payment will be made from the revenues derived from the System which is not properly payable from such revenues. The Authority has also covenanted that it will keep accurate records and accounts of all items of cost and all expenditures relating to the System, and of the revenues collected and the application thereof, and that it will keep said records and accounts with respect to the physical properties in such manner that it will be possible at all times to identify both the amounts and the items of all additions and retirements. Such records and accounts will be open to the inspection of all interested persons.

Financial Statements

Following the end of each Fiscal Year of the Authority, the Authority has covenanted to prepare financial statements and to cause an annual audit to be made of its financial statements by a firm of independent certified public accountants of suitable experience and responsibility. The Authority has also covenanted to cause to be included in such financial statements and audit the following:

- (a) A statement in detail of the income and expenditures of the System for such Fiscal Year.
- (b) A balance sheet of the System as of the end of such Fiscal Year.

The Authority has also covenanted to cause any additional reports or audits relating to the System to be made, as required by law. The cost of audits and reports will be treated as a part of the cost of operation of the System.

Tax Covenants

The Authority has covenanted to do all things necessary to maintain the tax-exempt status of any tax-exempt Bonds and not to do anything that would adversely affect such tax-exempt status.

Continuing Disclosure

The Authority has covenanted for the benefit of the owners of the Bonds and the underwriter of the Bonds to comply with its obligations under any Disclosure Agreement executed in connection with the Rule. A breach of such covenant will not be deemed to be an event of default under the Resolution, and the sole remedy under the Resolution will be an action to compel performance.

EVENTS OF DEFAULT; ACCELERATION, REMEDIES AND SURETY DEFAULTS.

Events and Default

Each of the following events is an “event of default”: (a) payment of the principal of and any redemption premium on any of the Bonds have not been made when the same have become due and payable, either at maturity or by proceedings for redemption; or (b) payment of any installment of interest has not been made when the same becomes due and payable; or (c) the Authority has, for any reason, been rendered incapable of fulfilling its obligations under the Resolution; or (d) the Authority has made a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in the Resolution, on the part of the Authority to be performed, and such default has continued for 30 days after written notice, specifying such default and requiring same to be remedied, has been given to the Authority by any bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it will not be a default under the Resolution if the Authority institutes corrective action and diligently pursue it until the default is cured; or (e) as

long as the Series 2017 Bonds and the Series 2026 Bonds are outstanding and no Insurer Default has occurred and is continuing, an event of default occurs under any agreement pursuant to which any "Obligation" of the Authority has been incurred or issued and that permits the holder of such Obligation or trustee to accelerate the Obligation or otherwise exercise rights or remedies that are adverse to the interest of the holders of the Bonds or BAM, as BAM may determine in its sole discretion. For purposes of the foregoing "Obligation" shall mean any bonds, loans, certificates, installment or lease payments or similar obligations that are payable and/or secured on a parity or subordinate basis to the Series 2017 Bonds and the Series 2026 Bonds.

Acceleration

Upon the happening and continuance of any event of default specified above under "Events of Default," then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by a notice in writing to the Authority, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same will become and be immediately due and payable, anything in the Bonds or in the Resolution to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds has been so declared to be due and payable, all arrears of interest, if any, upon the Bonds then outstanding, and all other indebtedness secured by the Resolution, except the principal of and interest on any Bonds not then due by their terms, and the interest accrued on such Bonds since the last interest payment date, has been paid, or has been provided for by deposit with the Paying Agent for such Bonds of a sum sufficient to pay the same, and every other default in the observance or performance of any covenant, condition or agreement in the Bonds, or in the Resolution, will be made good, or provisions therefor satisfactory to such bondholders has been made, then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment will extend to, or affect, any subsequent default or impair any right consequent thereto.

Remedies

Upon the happening and continuance of any event of default, then and in every such case any bondholder may proceed, subject to the provisions describe below under "Equal Benefit," to protect and enforce the rights of the bondholders by a suit, action or special proceedings in equity, or at law, for the specific performance of any covenant or agreement contained in the Resolution or in aid or execution of any power in the Resolution granted, or for the enforcement of any proper legal or equitable remedy as such bondholder will deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Restoration

In case any proceeding taken by any bondholder on account of any default has been discontinued or abandoned for any reason, or has been determined adversely to such bondholder, then and in every such case the Authority and the bondholders will be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the bondholders will continue as though no such proceedings had been taken.

Equal Benefit

No one, or more, owners of the Bonds secured by the Resolution will have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for in the Resolution, or to enforce any right under the Resolution, except in the manner in the Resolution provided, and all proceedings at law or in equity will be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

Non Exclusivity of Remedies

No remedy conferred in the Resolution upon the bondholders is intended to be exclusive of any other remedy, or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity, or by statute.

No Waiver

No delay or omission of any bondholder to exercise any right or power accruing upon any default occurring and continuing, will impair any such default or be construed as an acquiescence therein and every power and remedy given by the Resolution to be owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Surety Defaults

No failure to reimburse a provision of a Debt Service Reserve Surety Bond for any draw thereunder will permit the issuer of such Debt Service Reserve Surety Bond to (a) accelerate any Bonds issued pursuant to the Resolution or (b) pursue any remedy which would adversely affect the owners of the Bonds.

SUPPLEMENTAL PROCEEDINGS

The Authority may, from time to time and at any time, with the consent of a majority in aggregate principal amount of Bonds Outstanding, adopt such resolution or resolutions supplemental to the Resolution as will be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Resolution or in any supplemental resolution or in the Bonds; provided, however, that nothing in the Resolution will permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued under the Resolution; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental resolution; or (d) the creation of any lien on the Net Revenues of the System prior to or superior to the lien created as the security for the payment of the Bonds without the consent of all the Bonds Outstanding. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Nothing contained in the Resolution, however, will be construed as making necessary the approval by the bondholders of any supplemental resolution not inconsistent with the terms and provisions of the Resolution and any supplemental proceedings forming a part hereof (a) to cure any ambiguity or formal defect or omission in the Resolution or in any supplemental proceedings, (b) to provide for the issuance of Additional Bonds in accordance with the terms of the Resolution (including, without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Authority), (c) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders by the Authority, (d) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (e) to provide for the deposit into the Reserve Account of a Debt Service Reserve Surety Bond; (f) to modify, amend or supplement the Resolution or any proceedings supplemental hereto in such manner as to permit the qualification of the Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect; (g) to make any modification or amendment of the Resolution required in order to make the Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Bonds or interests therein in book-entry form; (h) to modify any of the provisions of the Resolution in any respect provided that such modification will not be effective until after the Bonds outstanding immediately prior to the effective date of such supplemental resolution will cease to be outstanding and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings will contain a specific reference to the modifications contained in such subsequent proceedings; or (i) to make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

BAM PROVISIONS

Defeasances

The investments in the defeasance escrow relating to the Series 2026 Bonds shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

BAM Deemed Owner, Supplements and Consents.

So long as the Series 2026 Policy is in effect and BAM is honoring its obligations thereunder and no Insurer Default has occurred and is continuing, BAM shall be deemed to be the owner of 100% of the Series 2026 Bonds for purposes of waiving defaults and controlling and exercising remedies (including acceleration) upon an event of default and taking any action with respect to the duties and obligations of the Authority and the Paying Agent and for the purposes of consenting to any amendment, supplement, modification or waiver of the Resolution that requires the consent of a majority of the owners of the Bonds. The owners of the Series 2026 Bonds will not have any such rights. If consent of 100% of the owners of the Bonds is required to amend or supplement the Resolution, then consent of the owners of the Bonds and BAM must be obtained. Any amendment, supplement or modification to the Resolution that adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM. The Authority shall send copies of any such amendments or supplements to BAM and the rating agencies which have assigned a rating to the Series 2026 Bonds.

Any reorganization or liquidation plan with respect to the Authority must be acceptable to BAM. The Paying Agent and each owner of the Series 2026 Bonds hereby appoint BAM as their agent and attorney-in-fact with respect to the Series 2026 Bonds and agree that BAM may at any time during the continuation of any proceeding by or against the Authority under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”) direct all matters relating to such Insolvency Proceeding, including without limitation, (i) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “Claim”), (ii) the direction of any appeal of any order relating to any Claim, (iii) the posting of any surety, supersedeas or performance bond pending any such appeal, and (iv) the right to vote to accept or reject any plan of adjustment. In addition, the Paying Agent and each owner of the Series 2026 Bonds delegate and assign to BAM, to the fullest extent permitted by law, the rights of the Paying Agent and each owner of the Series 2026 Bonds with respect to the Series 2026 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

BAM’s prior written consent is required as a condition precedent to and in all instances of acceleration of the Series 2026 Bonds.

Grace Period

No grace period shall be permitted for payment defaults on the Series 2026 Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

Limitations on Sales, Leases and Encumbrances

So long as the Series 2026 Bonds are outstanding or any amounts are due and payable to BAM, the Authority shall not sell, lease, transfer, encumber or otherwise dispose of the System or any material portion thereof, except upon obtaining the prior written consent of BAM.

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APPENDIX D

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Eatonton-Putnam Water and Sewer Authority (the “Authority”), a public body corporate and politic of the State of Georgia, in connection with the issuance by the Authority of \$ _____ in aggregate principal amount of its Revenue Bonds, Series 2026 (the “Series 2026 Bonds”). The Series 2026 Bonds are being issued pursuant to a resolution adopted by the Authority on July 11, 2017 (the “Original Resolution”) and a parity bond resolution adopted by the Authority on January 21, 2026 as supplemented on _____, 2026 (together with the Original Resolution, the “Resolution”). The Authority hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Beneficial Owners (as herein defined) of the Series 2026 Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owners” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation, and initially shall mean the Authority.

“EMMA” means the MSRB’s Electronic Municipal Market Access System, which receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Authority as its fiscal year for financial reporting purposes and shall initially mean the period beginning on January 1 of each calendar year and ending December 31 of the same calendar year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the Official Statement of the Authority relating to the Series 2026 Bonds.

“Participating Underwriter” shall mean Raymond James & Associates, Inc.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Georgia.

“System” shall mean the municipal water and sewerage system owned and operated by the Authority.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent (if any) to, not later than the last day of the ninth month after the end of the Authority’s Fiscal Year (the “Reporting Date”), beginning for the Fiscal Year ending December 31, 2026, provide to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Authority has appointed a Dissemination Agent, the Authority shall provide the Annual Report to such Dissemination Agent not later than 10 business days prior to the Reporting Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report (i.e., in the event that the audited financial statements have not been completed by the Reporting Date). In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not available at the time of the Reporting Date and will be submitted at a later date, the Authority shall include unaudited financial statements of the Authority in the information provided to the MSRB in its Annual Report and the Authority shall indicate in the Annual Report the date on which the audited financial statements of the Authority will be submitted. The audited financial statements of the Authority, when available, will be provided to the MSRB in an electronic format as prescribed by the MSRB (which as of the time hereof, is EMMA).

(b) The Authority or the Dissemination Agent (if any) shall:

(i) determine each year prior to the Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form of such filing;

(ii) if the Annual Report is not distributed/filed (or the audited financial statements which were to be separately submitted) by the date required in subsection (a), send a notice in a timely manner to the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA) in substantially the form attached hereto as Exhibit A; and

(iii) if the Dissemination Agent is other than the Authority, notify the Authority that the Annual Report has been provided pursuant to this Disclosure Certificate and the date provided.

Section 4. Content of Annual Reports. The Authority's Annual Report for each Fiscal Year shall contain or incorporate by reference the following:

(a) The Authority's basic financial statements for the preceding Fiscal Year, which shall include the basic financial statements of the System to be prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) If generally accepted accounting principles changed from the previous Fiscal Year and if such changes are material to the Authority, a narrative description (as required by Section 8 of this Disclosure Certificate) of the impact of the changes on the Authority.

(c) If the Authority's Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) To the extent not included in items provided pursuant to subsection (a) above, an update of the financial information and operating data with respect to the Authority of the type contained in the Official Statement under the captions "THE SYSTEM – Water System – Water Purchases," " – Water System – Number of Water Customers," " – Wastewater System – Wastewater Demand," " – Wastewater System – Number of Sewer Customers," " – Largest System Customers" and "SYSTEM FINANCIAL INFORMATION – Historical Debt Service Coverage" (based on the financial statements provided pursuant to subsection (a) above).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB in an electronic format prescribed by the MSRB (which, as of the date hereof, is

EMMA). The Authority shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events, the Authority or the Dissemination Agent (if any) shall file a notice of such occurrence with EMMA.

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draw on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5071-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds.
- (vii) Modifications to rights of the Beneficial Owners, if material.
- (viii) Series 2026 Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Series 2026 Bonds, if material.
- (xi) Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.
- (xii) Ratings changes.

(xiii) Bankruptcy, insolvency, receivership or other similar event of the Authority including any of the following: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization,

arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(xiv) The consummation of a merger, consolidation or acquisition involving the Authority, or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xv) Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect Beneficial Owners, if material.

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a listed event under subsection (a) above shall be in the appropriate electronic format and form prescribed by the MSRB and shall be in substantially the form attached as Exhibit B.

Section 6. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds. If the Authority's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Authority and the Authority shall have no further responsibility hereunder. The Authority will provide notice of such termination to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof, is EMMA).

Section 7. Dissemination Agent. The Authority may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Authority may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Authority to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those

prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be qualitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, any Bondholder may initiate an action against the failing party to compel performance. A default under this Disclosure Certificate shall not be deemed a “default” or an “event of default” under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2026 Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Section 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney’s fees).

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

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_____, 2026

EATONTON-PUTNAM WATER AND SEWER
AUTHORITY

By: _____
Chairman

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Eatonton-Putnam Water and Sewer Authority

Name of Bond Issue: Eatonton-Putnam Water and Sewer Authority Revenue Bonds, Series 2026

CUSIP Number(s)¹ _____

Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the Eatonton-Putnam Water and Sewer Authority (the “Authority”) has not provided an Annual Report due with respect to the above-named Bonds as required by its Continuing Disclosure Certificate, dated _____, 2026. The Authority anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

EATONTON-PUTNAM WATER AND SEWER
AUTHORITY

By: _____

Title: _____

¹ No representation is made as to the correctness of the CUSIP number(s) either as printed on the Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE TO MSRB OF [INSERT THE LISTED EVENT]

Relating to

EATONTON-PUTNAM WATER AND SEWER AUTHORITY
REVENUE BONDS,
SERIES 2026

CUSIP NUMBERS²

Notice is hereby given that [insert the Listed Event] has occurred with respect to the above-captioned bonds (the “Bonds”). [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

The Eatonton-Putnam Water and Sewer Authority (the “Authority”) has reserved the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional redemption provisions of said defeased bonds.

OR

The Authority has covenanted not to exercise any optional redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

² No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no Bonds should be delivered to the Authority or to the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your Bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

EATONTON-PUTNAM WATER AND
SEWER AUTHORITY

By: _____

Title: _____

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APPENDIX E

Specimen Municipal Bond Insurance Policy

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

28 Liberty Street, 59th Floor
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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APPENDIX F

Series 2026 Engineering Report

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ENGINEERS REPORT

Eatonton-Putnam Water & Sewer Authority Water and Wastewater Systems

PREPARED FOR EPWSA | OCTOBER 2026

Prepared by ESG Engineering, LLC
6400 Peake Road
Macon, GA 31210
(p) 478.474.4996 | (f) 478.474.5045

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1.0 Background

The purpose of this capital improvement plan is to assess the current condition of both the water and wastewater systems of the EPWSA and determine what capital improvement projects are needed to maintain the systems and meet projected future demands. In addition to maintaining the systems and meeting future demands, the masterplan will also look at infrastructure that may be required to meet current and potential future federal and state regulations as well as strategically position EPWSA for potential future growth. This report will present a comprehensive plan that will assist the EPWSA in the operation, maintenance, construction, and financing of the recommended improvements to their water and wastewater systems.

The Eatonton-Putnam Water & Sewer Authority (EPWSA) was created in 2004 to operate the existing water and sewer systems for the City of Eatonton as well as the water system for Putnam County. EPWSA has an Agreement with Putnam County to purchase 2.475 million gallons of water per day. Putnam County has an Agreement with the Sinclair Water Authority to purchase 2.475 million gallons of water per day.

Environmental Services Group (ESG) was contracted in spring of 2020 to operate both the water & sewer system for EPWSA. As such, detailed records for water purchase, sewer treatment and work orders before spring 2020 are sparse. The majority of the findings and recommendations are based on information from March 2020 to present.

The EPWSA currently operates two wastewater treatment facilities and their associated collection system. This masterplan will focus on these facilities and their associated distribution/collection systems by breaking the subject matter down into four main components:

- The historical flows and future flow projections for both the water and wastewater system
- The Water System including its history, the distribution system, regulatory requirements, recommended improvements and associated cost estimates
- The Wastewater System including its history, the collection system, regulatory requirements, recommended improvements and associated cost estimates
- The Capital Improvements Plan that serves as an implementation plan for the recommended improvements.

This document will identify studies and projects for the Capital Improvements Plan that are associated with both the water and wastewater systems.

2.0 Flow Projections

As previously stated, EPWSA does not produce its own water. Instead, water is purchased from the Sinclair Water Authority (SWA) through Putnam County. As such, EPWSA is not required to maintain a Surface Water Withdrawal Permit through GAEPD. EPWSA is required to have a Permit to Operate a Public Water System. The average water demand by month from November 2024 through November 2025 for the system is shown in Figure 2-1 below.

2.1 Water Demands

EPWSA serves approximately 5,716 customers, split into approximately 5,395 residential customers and 321 commercial customers.

Table 2-1 | EPWSA Water System Average Annual Demand

Date	Gallons Purchased (Gallons)	Daily Average (MGD)
December 2024	35,919,913	1.158
January 2025	39,151,780	1.262
February 2025	33,591,472	1.199
March 2025	35,306,326	1.138
April 2025	35,350,566	1.178
May 2025	36,223,966	1.168
June 2025	37,264,406	1.242
July 2025	41,868,916	1.35
August 2025	38,311,446	1.235
September 2025	37,148,209	1.238
October 2025	35,789,124	1.154
November 2025	33,014,843	1.133
December 2025	37,774,747	1.259
Annual Avg.	36,670,440	1.209

2.2 Wastewater Flows

The existing EPWSA wastewater system consists of two wastewater treatment plants that receive influent flow from the EPWSA collection system. Effluent plant flows were evaluated from November 2024 to November 2025. EPWSA has 1,807 total sewer customers broken into 1,549 residential and 258 commercial.

Table 2-2 | EPSWA Eastside Wastewater Treatment Plant Flows

Date	Eastside Effluent Flow (MGD)
24-Dec	0.231
25-Jan	0.261
25-Feb	0.292
25-Mar	0.251
25-Apr	0.336
25-May	0.284
25-Jun	0.355
25-Jul	0.214
25-Aug	0.325
25-Sep	0.227
25-Oct	0.210
Nov-25	0.203
25-Dec	0.025
Avg	0.247

Table 2-3 | EPSWA Westside Wastewater Treatment Plant Flows

Date	Westside Effluent Flow (MGD)
24-Dec	0.246
25-Jan	0.269
25-Feb	0.281
25-Mar	0.204
25-Apr	0.238
25-May	0.264
25-Jun	0.371
25-Jul	0.173
25-Aug	0.340
25-Sep	0.189
25-Oct	0.181
25-Nov	0.164
25-Dec	0.178
Avg	0.238

2.3 Population Consideration and Capacity Concerns

Census data (depicted from 2000 through 2020 in Figure 2-5 below) shows a general downward trend to the current population estimate of 6,400. Population growth is a major consideration for water and wastewater system planning and is difficult to exactly project for obvious reasons.

Table 2-4 | Putnam County Population Trends (2000-2025)

2000	2010	2020	2025 (Estimate)
6,764	6,480	6,307	6,400

3.0 Drinking Water

3.1 Background

3.1.1 Drinking Water Supply

As previously stated, EPWSA does not produce its own water. Instead, water is purchased from the Sinclair Water Authority (SWA) through Putnam County, up to 2.475 million gallons per day.

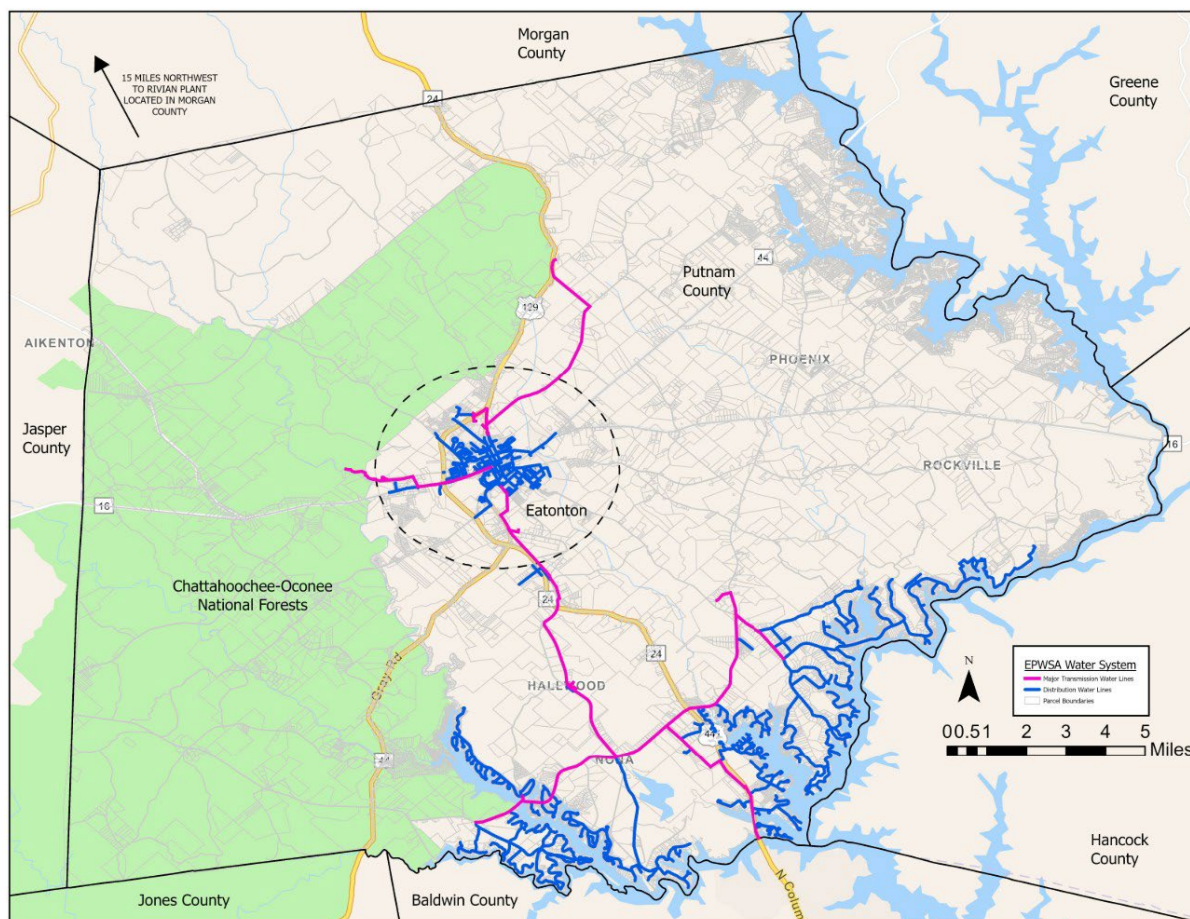
3.1.2 Piedmont Water Company

In July of 2024, EPSWA agreed to sell Piedmont Water Company up to 300,000 MGD for at least 20 years and up to 30.

The Piedmont Water Company agreed to fund construction of the line connecting the two water distribution systems, but the added demand away from the core of the system may put additional strain on pumps, requiring repairs/upgrades/etc.

3.1.3 Drinking Water Distribution Network

Figure 3-1 EPSWA Piping Distribution Network



3.1.4 Fire Hydrants

There are 1550 fire hydrants connected to the EPSWA water distribution system. Of them, approximately 50 need upgrades. In some cases, the hydrants to not operate properly because they are connected to undersized (less than 6”) mains. In these cases, water main upgrades will be necessary to affect the hydrant performance.

3.1.5 Drinking Water Storage

There are 5 storage tanks in the EPSWA system, with a total capacity of 1.9 million gallons.

Table 3-1 | EPSWA Tank Information

Location	Type	Capacity (gallons)	Last Rehabilitated
Gro-Tech	Elevated	400,000	Unknown
Magnolia	Elevated	300,000	Unknown
Downtown	Elevated	300,000	Unknown
Industrial Park	Elevated	400,000	Unknown
Dennis Station	Elevated	500,000	Unknown

3.2 Regulatory Review

The EPWSA is authorized to operate (Permit # GA2370000) by the Georgia Environmental Protection Division (EPD). Operating reports must be prepared and submitted to the EPD for each system on a monthly basis. These reports summarize the amount of finished water purchased daily with analysis being performed for chlorine and fluoride. Many other constituents are subject to on-going compliance monitoring, although the number of samples and schedules for monitoring (monthly, annually, etc.) vary greatly.

4.0 Wastewater Systems

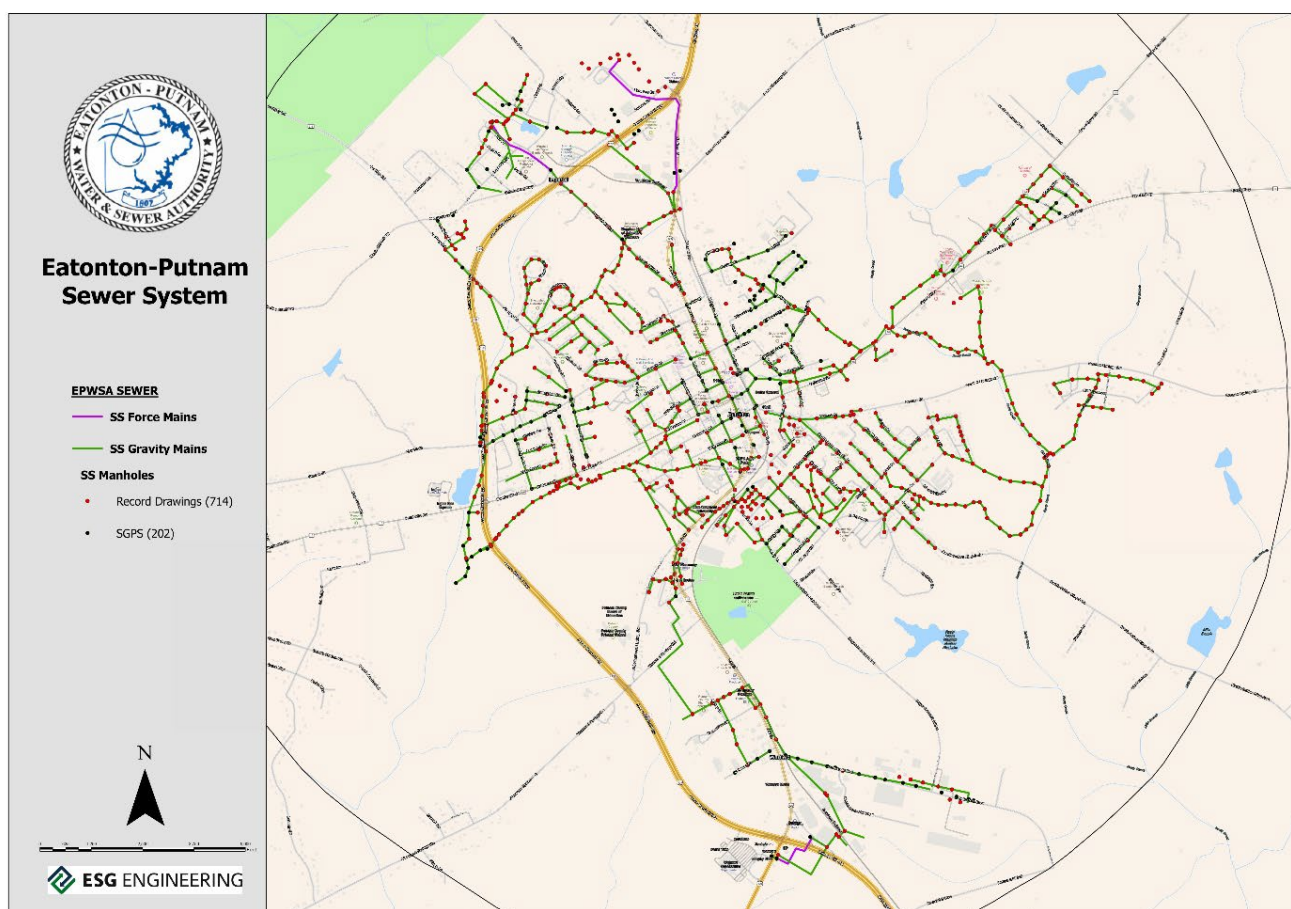
4.1 Background

EPWSA collects and conveys approximately 0.440 million gallons of sewage on a daily basis, from an estimated 1,549 people and 258 businesses.

4.2 Existing Wastewater Collection System

The wastewater collection system consists of approximately 38 miles of gravity sewers and approximately 5 miles of force mains, which are fed by 13 lift stations.

Figure 4-1 | EPWSA Wastewater Collection System



4.2.1 Gravity Collection System

The 38 miles of gravity sewers are divided into six major drainage basins, or areas in which all flow converges to a single point, typically one of the large trunk lines or a force main. Of the drainage basins, 3 flow towards the Eastside Wastewater Plant, with the rest flowing towards the Westside Wastewater Plant.

The system was originally built in the 1960's, and have undergone periodic rehabilitations throughout the years. As of 2025, system elements range between 65 and 1 (upgraded or replaced in the past year), with the average element being 25 years old. Vitrified clay pipes can have an estimated lifespan of 50-60 years, however, most of the clay pipes in the EPWSA collection system have issues with root intrusion causing leaks or blockages. The system can best be described as being in fair condition but with the potential for failure at any point.

4.2.2 Lift Stations

There are 13 lift stations in the EPSWA sewerage system, feeding 5 miles of force main.

All of the lift stations are wet well stations, in which sewage flows into the wet well by gravity and is pumped out by a submersible pump. Each lift station has at least two pumps, both to extend their lifespan by alternating which pump is currently active, and to give the lift station additional capacity in case of high rates of sewage inflow.

Of the 13 lift stations, none have received major upgrades in the last 15 years.

Table 4-1 | EPSWA Lift Station Information

Location	Number of Pumps	Capacity (GPM)
County Jail	2	165
Hwy 129	2	40
Hwy 44	2	35
Eagle One	2	58
Perky Cap	2	185
Funeral Home	2	15
Ralston	2	100
K5	2	35
Western Motel	2	230
Hogan Rd.	2	120
Forest Products	2	175
Mill Station	2	55
Courthouse	2	100

4.2.3 Force Mains

The EPWSA sewer collection system is served by approximately 5 miles of force mains

4.2.4 Inflow and Infiltration

Inflow refers to groundwater seeping into the system through cracks in pipes or faulty joints and can occur at any time. Infiltration refers to rain or floodwater entering the sanitary sewer, which can occur during or after wastewater treatment, as the WWTPs must be physically larger to hold the higher volume, and increases the chance of an overflow in wet weather.

Additionally, biological secondary treatment is only effective when the wastewater has a high enough concentration of soluble and colloidal pollutants to sustain the microorganism that digest these pollutants. I&I can dilute these pollutants in the wastewater stream, making biological treatment inefficient or nonfunctional.

In order to decrease the volume of I&I, its origin must be discovered. This can be determined through smoke testing, which can find defective pipe joints or broken pipes, or flow sensors. Flow sensors can detect the level of flow at certain points in the system, allowing operators to narrow down where the I&I may be coming from.

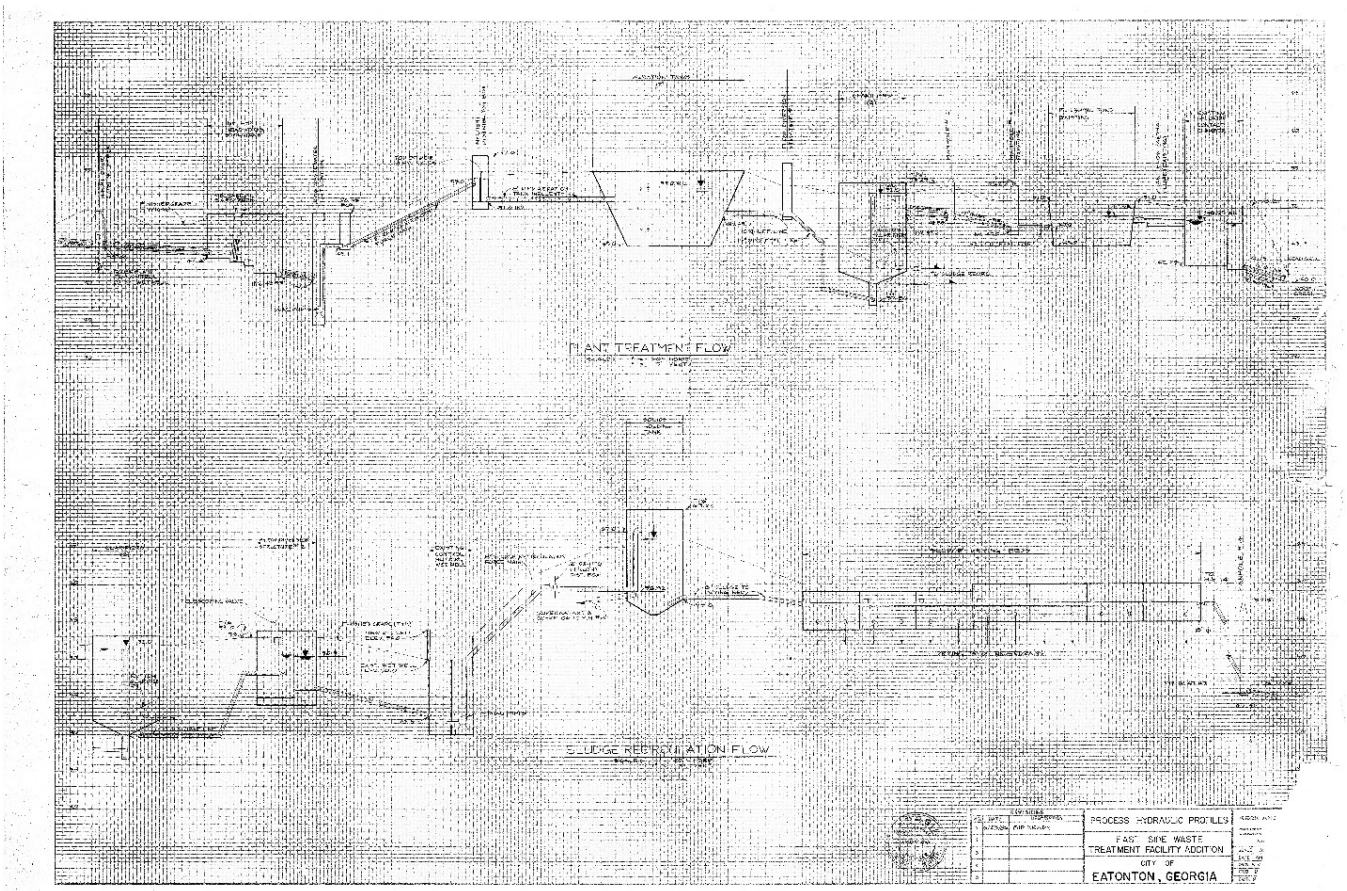
4.3 Wastewater Treatment

4.3.1 Eastside

The Eastside wastewater plant was originally constructed in the 1960’s, and consisted of bar screen, aeration basins, clarifiers, splitter box, telescoping valves, surface aerators and rebuilt cascade. The plant underwent a major upgrade in 2019, which added a clarifier and again in 2024 when the bar screen was replaced.

The plant treats approximately 0.220 million gallons of wastewater on a daily basis. It is located on a 9.4 acre parcel of land, located off of Oconee Springs Road. It currently consists of a belt press, 2 aeration basins, a digester, drying beds and a belt press. Sludge wasted from the clarifiers is thickened and then processed by a belt press or drying bed. The dewatered sludge is then hauled to a landfill.

Figure 4-2 | EPWSA Eastside WWTP Process Flow Diagram



4.3.2 Westside WWTP

The Westside wastewater plant was originally constructed in the 1960’s, and consisted of bar screen, aeration basins, clarifiers and chlorine contact chambers. The plant underwent a major upgrade in 2019, which added a clarifier, replaced surface aerators, installed new dewatering equipment and again in 2024 when the bar screen was replaced.

The plant treats approximately 0.220 million gallons of wastewater on a daily basis. It is located on a 9.4 acre parcel of land, located off of Oconee Springs Road. It currently consists of a belt press, 2 aeration basins, 3 clarifiers, a digester, drying beds and a belt press. Sludge wasted from the clarifiers is thickened and then processed by a belt press or drying beds. The dewatered sludge is then hauled to a landfill.

Figure 4-3 | EPSWA Westside WWTP Process Flow Diagram

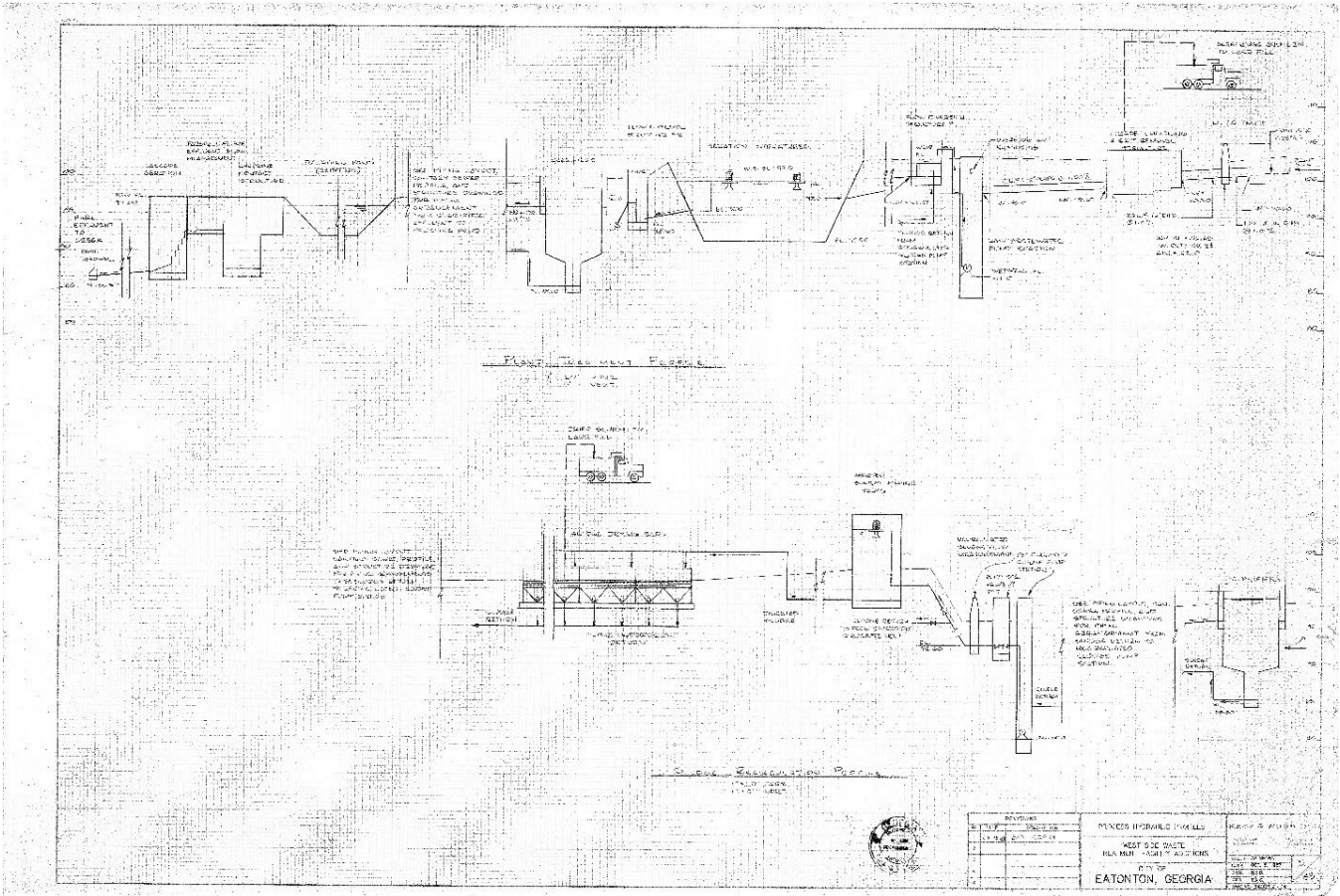


Figure 4-4 Eastside WWTP

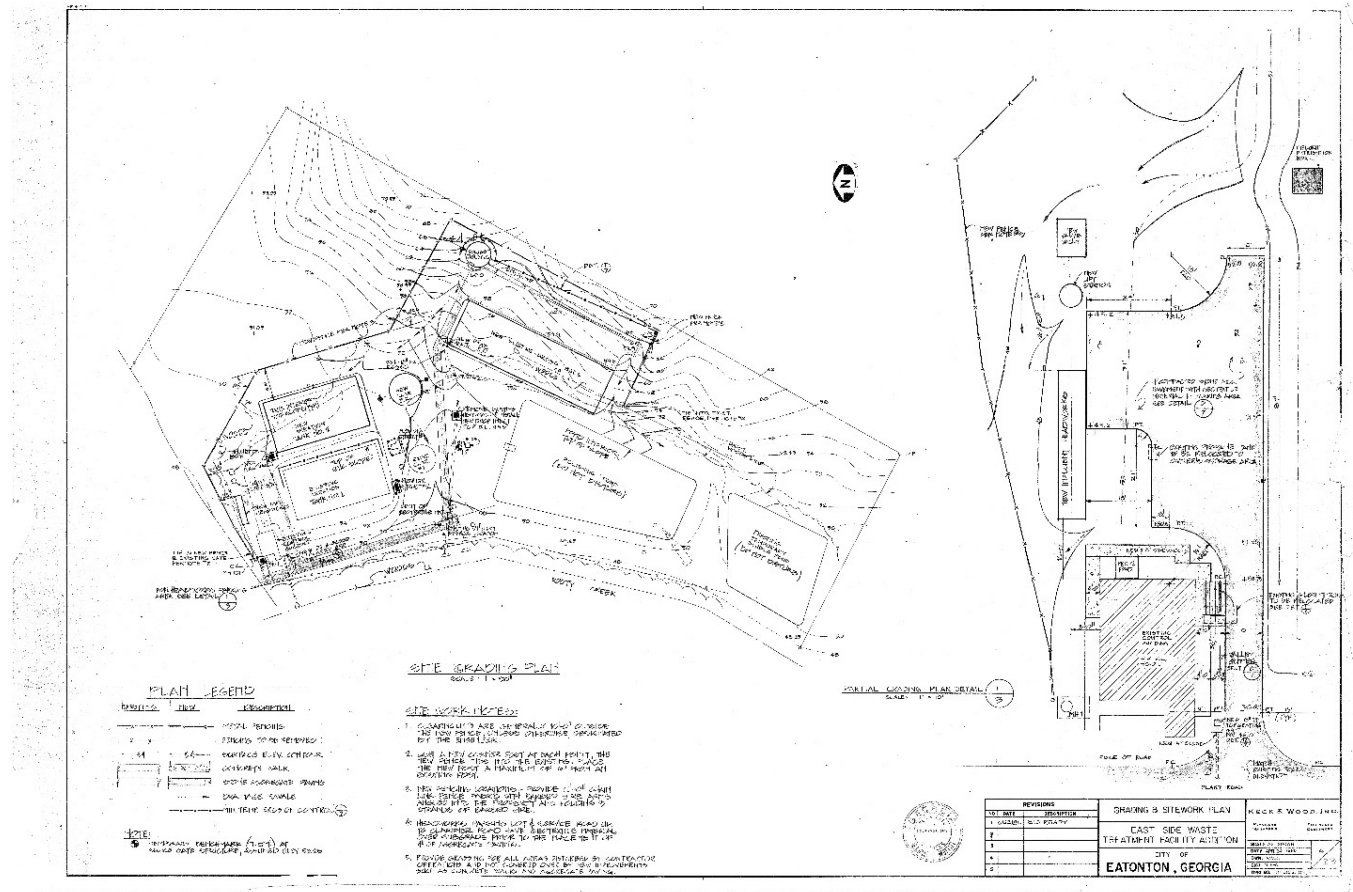
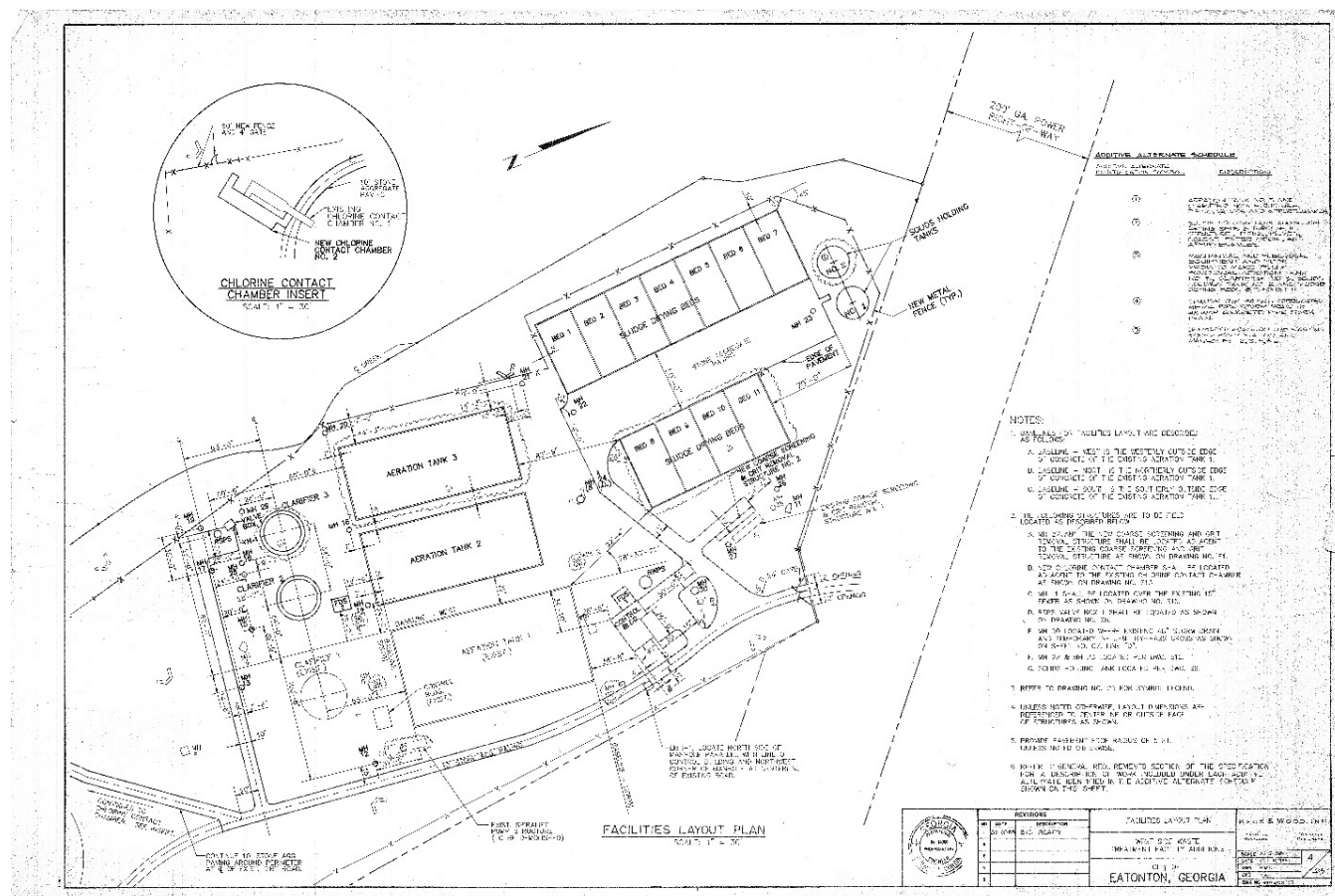


Figure 4-5 Westside



3.6 Regulatory Review

No current or pending regulatory violations.

5.0 Capital Improvement Plan

5.1 Projects

Septic Receiving Station (Eastside) – Install a receiving station for septic haulers prior to the bar screen at the Eastside WWTP

Septic Receiving Station (Westside) - Install a receiving station for septic haulers prior to the bar screen at the Eastside WWTP

Westside Influent Line - Replace the existing 15" pipe with a 30". Replace the culvert on the access Rd

Eastside Influent Line – Replace the existing 15" pipe with a 30". Restore creek bank that has eroded exposing sewer main.

Westside Electrical Evaluation – evaluate all of the electrical items at the Westside Plant

Eastside Electrical Evaluation– evaluate all of the electrical items at the Westside Plant

Westside Digester Splitter Box – modify the existing splitter box to prevent overflow

Eastside Flow Meters – replace the existing flow meter

Westside Flow Meters – replace the existing flow meter

Eastside Belt Press – replace the existing belt press at eastside

Major LS Improvements – replace pumps and controls at the major lift stations

Minor LS Improvements - – replace pumps and controls at the minor lift stations

Inflow & Infiltration Investigation – clean and TV the major trunk lines in the system to quantify I&I and develop a rehab/replacement plan

System-Wide Sewer Rehabilitation – rehabilitate failing sewer mains based on the results of the I&I Investigation

Meter Register Replacement Project – replace registers on existing meters to allow for remote reading

Water/Sewer Main Replacement - North Madison – replace the water & sewer mains on N. Madison

Water/Sewer Main Replacement – North Maple – replace the water & sewer mains on N. Maple

Booster Pump Replacement – replace pumps at the existing booster stations

Additional Elevated Storage Tank – add an elevated storage tank to increase system storage capacity. The location will be based on demand determined by a water model

Water Main Replacement – replace undersized/galvanized mains

Service Line – replace galvanized water service lines

Fire Hydrant Assemblies – replace broken/non-functioning FH assemblies

Valve Replacement – replace existing broken/inoperable gate valves in the water system

Office Building – improvements to the EPWSA office building/warehouse/shop

SCADA Upgrade – upgrade SCADA for all water & sewer system components including WWTP's, booster stations, elevated storage tanks, lift stations, etc.

Rockville Extension – install new water lines, FH, valves, meters and elevated storage tank at Rockville community

5.2 Cost Estimates*

This initial bond offering is for \$8,165,000*, which covers the Year 0-3 and approximately 20% of Year 4-6, at which point there will potentially be another bond offering. Price estimates can be seen below in Table 5-1. These estimates are from September, 2026, and are anticipated to be valid through 2029 at which time pricing will be reevaluated.

Note: Throughout this Engineer's Report, an asterisk indicates that the information is preliminary and subject to change, consistent with the Preliminary Official Statement for the Series 2026 Bonds.

Table 5-1 | EPSWA Capital Improvement Plan Price Estimates (10 Year)

	Phase 1	Phase 2	Phase 3	
Project	Year 0-3	Year 4-6	Year 7-10	
Westside Influent Line			\$ 400,000.00	
Westside Electrical Evaluation		\$ 100,000.00		
Eastside Electrical Evaluation		\$ 100,000.00		
Westside Aerobic Digester		\$ 750,000.00		
Eastside Aerobic Digester			\$ 750,000.00	
Westside Digetster Splitter Box		\$ 250,000.00		
Eastside Flow Meters			\$ 25,000.00	
Westside Flow Meters			\$ 25,000.00	
Eastside Belt Press	\$ 750,000.00			
Major LS Improvements	\$ 1,570,000.00			
Minor LS Improvements		\$ 2,000,000.00		
I&I Investigation		\$ 625,000.00		
System-wide Sewer Rehabilitation		\$ 2,600,000.00		
Meter Register Replacement Project		\$ 450,000.00		
Water/Sewer Main Replacement - North Madison	\$ 3,375,000.00			
Lower Harmony Booster Station Upgrade	\$ 350,000.00			
Additional Elevated Storage Tank			\$ 2,000,000.00	
Water Main Replacement	\$ 704,000.00			
Service Line	\$ 360,000.00			
Fire Hydrant Assemblies	\$ 90,000.00			
Valve Replacement	\$ 180,000.00	\$ 180,000.00		
Rockville Extension		\$ 3,250,000.00		
SCADA Upgrade	\$ 35,000.00			
Office Building		\$ 1,250,000.00		
				Total
Capital	\$ 7,414,000.00	\$ 11,555,000.00	\$ 3,200,000.00	\$ 22,169,000.00
Non-Construction	\$ 751,000.00	\$ 1,600,000.00	\$ 480,000.00	\$ 2,831,000.00
Total Expenditure	\$ 8,165,000.00	\$ 13,155,000.00	\$ 3,680,000.00	\$ 25,000,000.00

6.0 – Source of Funds*

The sources of funds shown in Table 6-1 have been developed using the best information available at this time; however, events may occur that can either delay or accelerate a CIP project. For this reason, a funding plan that includes all CIP projects, is updated annually to reflect any needed adjustments. In order to avoid arbitrage, delays in any Bond Project may require increased spending of Bond proceeds in other Bond Projects. Therefore, the Bond Projects and the sources of funds are managed to provide maximum project implementation flexibility.

Table 6-1 | Source of Funds

FUNDING SOURCE	2026	2027	2028	2029	2030	Total
GEFA	\$0	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$12,000,000
Series 2026 Bond	6,000,000	2,165,000	0	0	0	8,165,000
Developer Contribution	0	0	0	0	0	0
Internal Capital	0	835,000	2,000,000	2,000,000	0	4,835,000
TOTAL	\$6,000,000	\$6,000,000	\$5,000,000	\$5,000,000	\$3,000,000	\$25,000,000

FUNDING SOURCE	2031	2032	2033	2034	2035	Total
GEFA	\$0	\$0	\$0	\$0	\$0	\$0
Series 2026 Bond	0	0	0	0	0	0
Developer Contribution	0	0	0	0	0	0
Internal Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
TOTAL	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000

Future GEFA loans to be determined in 2027 based on favorable terms and conditions at that time. Internal capital is from existing fund balances plus net revenues after all expenses and annual debt service payments are made.

Table 6-2 | Capital Fund Balance*

	2026	2027	2028	2029	2030
Funds Available for CIP (Beginning Balance)	\$1,711,991	\$2,319,525	\$2,124,690	\$991,354	\$74,450
Net Water/Wastewater Income	607,534	640,165	866,664	1,083,096	1,340,981
	\$2,319,525	\$2,959,690	\$2,991,354	\$2,074,450	\$1,415,431
Developer Contribution					
Future GEFA	0	3,000,000	3,000,000	3,000,000	3,000,000
2026 Revenue Bond	6,000,000	2,165,000	0	0	0
Total	\$8,319,525	\$8,124,690	\$5,991,354	\$5,074,450	\$4,415,431
Capital Expenditures	6,000,000	6,000,000	5,000,000	5,000,000	3,000,000
Capital Fund Balance	\$2,319,525	\$2,124,690	\$991,354	\$74,450	\$1,415,431

	2031	2032	2033	2034	2035
Funds Available for CIP (Beginning Balance)	\$1,415,431	\$2,791,340	\$5,411,472	\$7,283,972	\$9,492,344
Net Water/Wastewater Income	1,375,909	1,620,131	1,872,501	2,208,372	2,505,712
	\$2,791,340	\$4,411,472	\$7,283,972	\$9,492,344	\$11,998,056
Developer Contribution					
Future GEFA	0	1,000,000	1,000,000	1,000,000	1,000,000
2026 Revenue Bond	1,000,000	1,000,000	0	0	0
Total	\$3,791,340	\$6,411,472	\$8,283,972	\$10,492,344	\$12,998,056
Capital Expenditures	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Fund Balance	\$2,791,340	\$5,411,472	\$7,283,972	\$9,492,344	\$11,998,056

Again, future GEFA loans to be determined in 2027 based on favorable terms and conditions at that time. Capital Fund balances include unrestricted cash at the beginning of the year plus net water/wastewater income plus new debt proceeds minus capital expenditures FY2026 beginning balance includes cash and investment only.

7.0 Projected Income and Expense and Debt Service Coverage*

Table 7-1 | Projected Income and Expense & Debt Service Coverage (FY26-FY30)

Revenue and Expenses	2026	2027	2028	2029	2030
Water Revenues	\$4,037,899	\$4,401,310	\$4,797,428	\$5,229,197	\$5,699,824
Sewer Revenues	1,577,539	1,719,518	1,874,274	2,042,959	2,226,825
Connection Fees	97,351	99,298	101,284	103,309	105,376
Late Fees	192,034	192,034	192,034	192,034	192,034
Interest Income	25,000	25,000	25,000	25,000	25,000
Other fees and charges	396,379	396,379	396,379	396,379	396,379
Total Water/Sewer Income	\$6,326,202	\$6,833,539	\$7,386,399	\$7,988,878	\$8,645,438
Water Purchases	\$1,069,167	\$1,122,625	\$1,178,756	\$1,237,694	\$1,299,579
Repairs/Maintenance	905,420	950,691	998,226	1,048,137	1,100,544
Utilities	277,997	291,897	306,492	321,816	337,907
Admin/Engineering	229,978	241,477	253,551	266,228	279,540
Professional Services	123,800	129,991	136,490	143,315	150,480
Management Fees	2,003,525	2,043,595	2,084,467	2,126,157	2,168,680
Other	23,491	23,961	24,440	24,929	25,428
Total Expenses before Debt	\$4,633,378	\$4,804,237	\$4,982,422	\$5,168,276	\$5,362,157
Net Income before Debt	\$1,692,824	\$2,029,302	\$2,403,977	\$2,820,602	\$3,283,281
Debts	2026	2027	2028	2029	2030
Revenue Bond	\$627,138	\$628,588	\$629,738	\$627,538	\$629,938
Notes Payable	\$458,153	\$343,814	\$284,945	\$284,945	\$284,945
Proposed Revenue Bond	\$0	\$416,736	\$420,238	\$420,238	\$420,238
Future GEFA Loans	0	0	202,394	404,787	607,181
Total Debt Payment	\$1,085,290	\$1,389,137	\$1,537,313	\$1,737,507	\$1,942,300
Debt Ratio's	2026	2027	2028	2029	2030
Net Income before Debt/Total Debt Payment	1.56	1.46	1.56	1.62	1.69
Revenue Bond Coverage	2.70	1.94	2.29	2.69	3.13
Net Water/Wastewater Income	\$607,534	\$640,165	\$866,664	\$1,083,096	\$1,340,981
Model Assumptions	Applied October of previous year/ (modeled in full year as shown)				
Rate Increase (CPI plus Adjustment for CIP/Debt Coverage)	4.7%	6.0%	6.0%	6.0%	6.0%
Customer Growth Assumption	2.0%	3.0%	3.0%	3.0%	3.0%
Operating Expense Growth (CPI plus Customer Growth)	3.5%	5.0%	5.0%	5.0%	5.0%
CPI Assumption	1.5%	2.0%	2.0%	2.0%	2.0%

Notes: FY26 is based on adjustment performed in September 2026 (part year)

FY27 and beyond are based on adjustments to be performed in October of previous year.

Table 7-2 | Projected Income and Debt Service Coverage (FY31-FY35)

Revenue and Expenses	2031	2032	2033	2034	2035
Water Revenues	\$5,984,816	\$6,284,056	\$6,598,259	\$6,928,172	\$7,274,581
Sewer Revenues	2,338,167	2,455,075	2,577,829	2,706,720	2,842,056
Connection Fees	107,483	109,633	111,826	114,062	116,343
Late Fees	192,034	192,034	192,034	192,034	192,034
Interest Income	25,000	25,000	25,000	25,000	25,000
Other fees and charges	396,379	396,379	396,379	396,379	396,379
Total Water/Sewer Income	\$9,043,878	\$9,462,177	\$9,901,326	\$10,362,367	\$10,846,393
Water Purchases	\$1,351,562	\$1,405,625	\$1,461,850	\$1,520,324	\$1,581,136
Repairs/Maintenance	1,144,566	1,190,348	1,237,962	1,287,481	1,338,980
Utilities	351,423	365,480	380,099	395,303	411,115
Admin/Engineering	290,721	302,350	314,444	327,022	340,103
Professional Services	156,499	162,759	169,270	176,041	183,082
Management Fees	2,212,053	2,256,294	2,301,420	2,347,449	2,394,398
Other	25,936	26,455	26,984	27,524	28,074
Total Expenses before Debt	\$5,532,761	\$5,709,312	\$5,892,029	\$6,081,142	\$6,276,889
Net Income before Debt	\$3,511,117	\$3,752,865	\$4,009,297	\$4,281,225	\$4,569,505
Debts	2031	2032	2033	2034	2035
Revenue Bond	\$626,738	\$626,538	\$630,600	\$628,738	\$626,550
Notes Payable	\$278,659	\$276,385	\$276,385	\$214,304	\$207,431
Proposed Revenue Bond	\$420,238	\$420,238	\$420,238	\$420,238	\$420,238
Future GEFA Loans	809,574	809,574	809,574	809,574	809,574
Total Debt Payment	\$2,135,208	\$2,132,734	\$2,136,797	\$2,072,853	\$2,063,793
Debt Ratio's	2031	2032	2033	2034	2035
Net Income before Debt/Total Debt Payment	1.64	1.76	1.88	2.07	2.21
Revenue Bond Coverage	3.35	3.59	3.82	4.08	4.37
Net Water/Wastewater Income	\$1,375,909	\$1,620,131	\$1,872,501	\$2,208,372	\$2,505,712
Model Assumptions	Applied October of previous year/ (modeled in full year as shown)				
Rate Increase (CPI plus Adjustment for CIP/ Debt Coverage)	3.0%	3.0%	3.0%	3.0%	3.0%
Customer Growth Assumption	2.0%	2.0%	2.0%	2.0%	2.0%
Operating Expense Growth (CPI plus Customer Growth)	4.0%	4.0%	4.0%	4.0%	4.0%
CPI Assumption	2.0%	2.0%	2.0%	2.0%	2.0%

Notes: FY31 and beyond are based on adjustments to be performed in October of previous year